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GOVERNMENT AND ADMINISTRATION

Reform of Commons Procedure and of Committees

Changes in some aspects of the procedure of the House of Commons and in the structure of Commons Committees, to allow the House and its committees more effective scrutiny of the public service, have been proposed by the House of Commons Select Committee on Procedure.[1]

In a report published on 3 August the House of Commons Select Committee on Procedure proposes changes in the procedure of the House of Commons. The aim of the proposals, in the Committee's view, is to redress the 'balance of advantage between Parliament and Government', which the Committee considers to have become weighted in favour of the Government; to allow the procedures and practice of the House to evolve, giving Members of Parliament the opportunity to influence policy effectively and to scrutinise government administration; and to make the decisions of Parliament and Government more responsive to the wishes of the electorate.

Public Bill Procedure

Among the recommendations made is that for an experiment to limit speeches in second reading debates between 7 p.m. and 9 p.m. to a maximum of ten minutes. A system of 'Public Bill Committees' is proposed (to which all Bills would be committed unless the House ordered otherwise) which would be similar to the existing standing committees on Bills, but with the power to have up to three sittings in select committee form for the purpose of taking evidence in public. Greater restrictions are proposed for allocation of time ('guillotine') motions, and tighter control would also be applied to delegated legislation (that is, Statutory Instruments) as it passes through the House. The Committee also feels that the recommendation of the 1970-71 Procedure Committee, that explanatory memoranda should give a more adequate description of the purposes and effects of a Bill, should be implemented.

European Community Legislation

The Committee recommends that the Government should provide time for debates on consultative documents issued by the European Commission, and also that the Government should not give its final approval to legislation before a debate, when a debate has been recommended by the Select Committee on European Legislation.

The Select Committee Structure

The Committee recommends a reorganisation of the select committee structure to provide the House of Commons 'with the means of scrutinising the activities of the public service on a continuing and systematic basis'. In future, the structure should be based primarily on the subject areas within the responsibility of individual government departments, or groups of departments, with 12 new committees covering: Agriculture; Defence; Education, Science and Arts; Energy; Environment; Foreign Affairs; Home Affairs; Industry and Employment; Social Services; Trade and Consumer Affairs; Transport; and Treasury. It is suggested, however, that certain committees – namely, the Public Accounts Committee, the Joint Committee on Statutory Instruments, the Select Committee on European Legislation and the Joint Committee on Consolidation Bills – should be retained in their present form. The Committee proposes that the general size of the new committees should be about ten members (although a few might need to be larger) and points out that on this basis only 15 more members would be required than the number at present serving on the six committees which would be replaced.

Together with this new committee structure, the Committee proposes that there should be greater opportunities for debating select committee reports in the House of Commons. Government departments should normally be required to publish their observations on select committee reports within two months of publication. The convention of appointing members of opposition parties to the chair of certain committees should, if possible, be extended, and consideration might also be given to paying the chairmen a modest additional salary. Additional permanent staff resources would also be required, and the select committees should be free to appoint whatever specialist advisers they wish for the purposes of their work.

A new co-ordinating select committee, to be called the Liaison Committee, should replace the present informal Chairmen's Liaison Committee; it would consist of one representative of each permanent select committee, with additional members to ensure that the committee overall reflects the composition of the House of Commons.

[1] *First Report from the [House of Commons] Select Committee on Procedure, Session 1977-78.* HMSO, £3·25. ISBN 0 10 297878 6.

Power to Send for Persons, Papers and Records

The Committee proposes that select committees should bring to the attention of the House of Commons as a 'matter of serious concern' any refusal by government departments to provide information relating to departmental or interdepartmental organisation, unless satisfactorily explained and justified. Select committees should be empowered to order the attendance of ministers to give evidence to them and to order the production of papers and records; in the event of a refusal by a minister to produce papers, a select committee should be able as a last resort to ask for the matter to be debated in the House of Commons as a priority.

Financial Control

The Committee recommends that negotiations should begin to effect an amalgamation of the Exchequer and Audit Department and the District Audit. The principle should be established by legislation that the accounts of all bodies in the receipt of funds voted by Parliament should be subject to examination by the Comptroller and Auditor General. The audit staff should be regarded as servants of the House of Commons; however, although the House or its committees should be able to request the Auditor General to undertake inquiries, they should not be able to direct him to carry out his inquiries in a particular manner.

Closer financial scrutiny by Parliament should be achieved by requiring all departmental estimates to be submitted to the appropriate departmentally-related committee, and improvements should be made in the provision of financial information and the manner of its presentation to the House of Commons.

Organisation of Sessions and Sittings

The Committee recommends no fundamental change in the overall pattern of the parliamentary session, although it suggests that sittings of the House of Commons on Fridays should begin at 9.30 a.m. and end at 2.30 p.m. (at present the House sits on Fridays from 11 a.m. to 4 p.m.). The Committee proposes some limitation of late-night sittings of the House by recommending that a motion to suspend the Ten o'Clock Rule (which allows a debate to continue after that hour, although opposed) should only be carried if not less than 200 members vote in the majority in support of the motion. It is also recommended that the debate on the second reading of Consolidated Fund Bills (in which, by tradition, members may speak on any topic they choose) should in future be taken in standing committee, in which all members should be free to participate if they wish.

St Vincent Constitutional Conference

At the St Vincent Constitutional Conference, held in London from 18 to 21 September, it was agreed that a draft independence constitution for St Vincent should be prepared and in due course published before being submitted for the approval of the St Vincent House of Assembly. The draft will be based on the findings of the conference, which considered detailed proposals for constitutional change from a variety of organisations and individuals in St Vincent as well as from the St Vincent Government.

The conference met under the chairmanship of the Minister of State for Foreign and Commonwealth Affairs, Mr Ted Rowlands, who also led the British delegation, while that of St Vincent was led by the Premier, Mr R. Milton Cato. It was convened in response to a request from the St Vincent Government that the British Government should terminate, by Order in Council, the state of association between the two countries in accordance with the West Indies Act 1967. The St Vincent Government represented that it wished to fulfil the mandate given to it at the last general election, in 1974, to terminate the status of association during its present term of office. Both St Vincent opposition parties declined to attend the conference.

Background Information

St Vincent, one of the Windward Islands in the Eastern Caribbean, became an Associated State in 1969 under the provisions of the West Indies Act 1967, and since then has had full responsibility for its internal affairs. The responsibility of the British Government is confined to external affairs and defence, although, in practice, authority has been delegated to the St Vincent Government to act for itself in those areas of external affairs in which it has the greatest interest.

The status of association is completely voluntary and terminable at any time by either party. Under section 10(1) of the West Indies Act, an Associated State can proceed to independence without the consent or assistance of the British Government, in which case legislation to this effect would have to be approved by a two-thirds majority in the legislative assembly and by a two-thirds majority in a referendum. (The latter would not be required if it were proposed to proceed to independence in association with another Commonwealth country in the area.) Alternatively, under section 10(2) of the Act, the British Government can terminate the association status through an Order in Council. As in the case of Grenada and Dominica (see pp 279-81), the St Vincent Government has requested that the second course be followed.

St Vincent, which includes the islands of the northern Grenadines, has an area of 344 square kilometres (133 square miles). The population, estimated at 103,000 in mid-1977, is mainly of African and mixed origin, with small numbers of Asians, Europeans and Caribs. The capital and principal port is Kingstown, which has a population of some 24,000. The economy is based on export agriculture with bananas, arrowroot and coconut as the main crops, but attempts are being made to diversify the economy and light industries are being established to utilise local produce. Britain is supporting the island's development, and between

1972 and 1976 provided aid totalling some £8 million, most of it in grant form. Of this, £1·43 million was provided in 1976, comprising £1·28 million in financial aid and £152,000 in technical co-operation funds for the provision of expertise not available locally and for the training of local personnel. These funds have contributed to a wide range of development projects, including rural electrification, road and school building, hospital improvements and the development of the banana industry. British assistance is also channelled through the Commonwealth Development Corporation, which has provided investment finance for housing and the provision of electricity services.

For further information, see COI fact sheet *St Vincent*, FS18/78.

Shorter Notes

TUVALU

As agreed at a constitutional conference in London in February (see pp 83-4), Tuvalu, formerly the Ellice Islands, became independent on 1 October as a constitutional monarchy with the Queen as head of State. The Queen will be represented in the islands by a Tuvaluan Governor-General, Mr Penitala Fiatau Teo. The Tuvalu Parliament will consist of a single Chamber with 12 members and the Cabinet will comprise the Prime Minister and up to four other ministers. The first Prime Minister is Mr Toalipi Lauti, the former Chief Minister. On independence, Tuvalu joined the Commonwealth as its second 'special' member, the other being Nauru. Under this arrangement, Tuvalu will be able to participate in all functional meetings and activities of the Commonwealth but will not attend meetings of Commonwealth heads of Government.

For further information see COI Factel No 682, August 1978, *Tuvalu*.

BELIZE

With a view to speeding up negotiations with Guatemala concerning its territorial claim on Belize (see p 50), Britain has proposed the re-establishment of diplomatic relations with Guatemala. This was announced on 29 September at the end of a week during which the British Foreign and Commonwealth Secretary, Dr David Owen, and the Foreign Minister of Guatemala, Senor Rafael Castillo Valdez, held a number of working meetings in New York. During their talks, both Ministers were pleased to note that there had been a clear reduction in tension in recent months in the Belize-Guatemalan area, and agreed that efforts should be made to secure a further reduction in order to create a better climate for negotiations which are expected to resume in the near future. While in New York, Dr Owen also had detailed discussions with the Deputy Premier of Belize, Mr Rogers, and the Leader of the Opposition in Belize, Mr Lindo.

EXTERNAL AFFAIRS AND DEFENCE

UN General Assembly

SPEECH BY BRITISH FOREIGN AND COMMONWEALTH SECRETARY

The United Nations General Assembly, opening its thirty-third regular session on 19 September, elected Mr Indalecio Lievano, the foreign minister of Colombia, as its President. The Solomon Islands (see p 258) was admitted to the United Nations, bringing its membership to 150. Addressing the General Assembly on 27 September, Britain's Secretary of State for Foreign and Commonwealth Affairs, Dr David Owen, stressed that it was Britain's policy to uphold the UN Charter in all its aspects and to put support for the United Nations 'at the centre of our foreign policy'. In particular, he stressed Britain's commitment to the concept of UN peacekeeping, and offered to make available an infantry battalion or Royal Marine commando group to serve in peacekeeping operations in addition to Britain's current contribution to UN peacekeeping.

Self-determination

Dr Owen opened his speech by referring to the position of Britain's remaining dependent territories, which, because of their particular circumstances, had not become independent. The commitment of successive British Governments to the principle of self-determination, said Dr Owen, was displayed by the fact that, since the founding of the United Nations, 35 independent states had emerged from the former British empire, and the present Government's policy was to give 'every encouragement and support to those territories which seek independence'.

In fulfilment of this policy, Solomon Islands had become independent this year. Tuvalu would celebrate its independence on 1 October (see pp 83-4), and the Gilbert Islands, which had already reached the stage of full internal self-government, would achieve independence in 1979 (see p 21, 1977). In the Anglo-French condominium of the New Hebrides, a programme had been arranged which would lead to full independence by 1980 (see p 30). As regards the West Indies Associated States which were in voluntary association with Britain, Dominica would become independent on 3 November (see pp 216-17, 1977), and discussions were continuing on the constitutional future of other states (for the position of St Lucia, see p 324, and of St Vincent, see p 340).

Human Rights

On the question of the violation of human rights in the world, Dr Owen said that discussions and words of condemnation or sympathy were not enough. 'Ordinary people', he said, 'want to see real evidence that those who offend the norms of civilised society are not accepted as members of it, and that the effects of malnutrition and monsoon are mitigated for everyone.' One of Britain's major aims was 'to strengthen the United Nations' capacity to safeguard human rights.'

The North-South Dialogue

Turning to the North-South dialogue, Dr Owen laid emphasis on the need for machinery to be established to translate the principles and resolutions of international meetings into effective action and detailed agreements. The immense importance of the relationship between the developed and the developing countries had not yet been fully appreciated by public opinion. The North-South dialogue was 'potentially a deeply divisive issue and a central factor in world economic management', and presented challenges for the governments of all the world. The more developed countries had to be prepared 'for adaptation and change in the creation and distribution of new wealth in the world', and generate the fullest public support for tackling the great disparities between standards of life in rich and poor countries. The challenge for the less developed countries was 'to maintain the necessary disciplines to enable them to achieve a rapid but stable expansion, with equitable sharing of the benefits' and to continue to take part constructively in the common search for a solution to these problems.

There was a danger of a return to the situation of the early 1970s, he said, when the dialogue became 'a forum for rhetoric and confrontation instead of a co-operative exercise from which all our countries and all our peoples will gain'. The world had risen above this, but its attention still needed to be focused on the specific problems, which the Foreign and Commonwealth Secretary defined as: 'the optimal management of the world's limited resources of raw materials, energy, finance, the transfer of resources from the rich to the poorer countries, and the problem of coping imaginatively with the problems of adjustment so that the output of the

newly industrialised countries can find its place in the world's markets'.

Greater political resolve and imagination were needed, said Dr Owen, as the world approached the forthcoming fifth session of the UN Conference on Trade and Development (UNCTAD) in May 1979 and the special session of the UN General Assembly on Development in 1980.

Britain had recently decided (see p 304) that, as part of its aid policy, it would take immediate steps to relieve the debt burden of the poorest countries, involving a total amount of principal and interest of about £900 million. The aim of this decision was to give practical expression to the agreement negotiated within UNCTAD and reflected Britain's 'willingness to take action to show how genuine compromises can be achieved within the North-South dialogue'.

Understanding and imagination would also be needed from the relatively rich countries which at present stood aside from the common efforts of the rest of the world to help the developing countries. 'I believe', said Dr Owen, 'that the Soviet Union and its partners are beginning to realise that there is a growing recognition among developing countries of the irrelevance of the time-worn excuse that the so-called "colonial legacy" of former imperial powers means that the Communist countries can absolve themselves of any responsibility for helping the developing countries.'

Dr Owen described the divide between rich and poor as 'everyone's problem and everyone's responsibility', and there were no solutions for any country to be found through economic protectionism. On the contrary, economic growth in the developing countries had a part to play in supporting the health of the world economy. However, the scope for sustained economic growth in the developing countries would be limited until the industrialised countries moved out of economic recession. Britain had 'spared no effort' this year to bring about concerted action to restore confidence and world economic growth, and the results of the Bonn summit in July (see pp 294-6) showed there was a collective understanding in the Western world of the need to tackle all these problems.

Arms Control and Disarmament

One major and acknowledged obstacle to world economic development was the vast accumulation of military power. The UN Special Session on Disarmament (see pp 286-9) had taken place with the aim of checking this process and of achieving some practical action towards arms control and disarmament. However, Dr Owen was critical of the lack of results that emerged from the Special Session. Although a final document had been agreed, 'much of it was so watered down that one gets the impression that everyone is in favour of disarmament until the moment that any proposal could affect them'.

The need for action to prevent the spread of nuclear weapons, which Dr Owen described as one of the most crucial issues facing mankind, had been recognised, but the dilemma of how to make available to all who need them the benefits of the peaceful uses of nuclear energy without the risk of weapons proliferation had not been 'squarely faced'. For some years Britain had limited the export of certain nuclear equipment, thereby incurring a financial sacrifice, and required for its nuclear exports adequate safeguards to ensure against the risk of nuclear weapons proliferation. However, there was still ruthless competition in the 'nuclear market place', and decisions by exporters on the supply of nuclear installations were often wrongly seen by the recipients as being politically motivated. The Non-Proliferation Treaty Review Conference in 1980 would have to look deeply at these matters, but Dr Owen believed that it was possible 'for the equipment and services which are essential to a successful civil nuclear industry to be made available while minimising the proliferation risk'.

While it was natural and right that at the Special Session emphasis should have been placed on nuclear disarmament, Dr Owen reminded the Assembly that four-fifths of world military expenditure went on conventional forces and weapons, and that the estimated 120 wars that had been fought since 1945, causing tens of millions of casualties, had all been fought with conventional weapons. The final document of the Special Session had made 'a negligible contribution towards balanced reductions in military budgets and a halt to the worldwide build-up of conventional weapons', and Dr Owen said that a 'historic opportunity' to control the spread of conventional weapons had been missed. The next Special Session would have to resolve to achieve more, or it would produce 'cynicism rather than commitment'.

Referring to the strategic arms limitation talks (see p 202) between the United States and the Soviet Union as 'vitally important', Dr Owen said that they needed to be followed as soon as possible 'by further reductions in strategic offensive weapons as well as controls on qualitative improvement'. He described the negotiations between Britain, the Soviet Union and the United States on a comprehensive test ban treaty (see p 202) as entirely non-discriminatory and designed to curb the development of nuclear weapons and hinder their spread to more countries. The three powers would like to see the widest possible adherence to the treaty.

Another priority was to maintain and accelerate the momentum injected recently into the negotiations on mutual and balanced force reductions in Vienna (see p 250). The Western participants would be ready, at the right moment, 'to propose that the talks be raised to ministerial level'. The 'prize' would be an agreement providing a more stable relationship and a lower level of military confrontation in Europe, which would represent a major achievement in arms control and *détente*, but Dr Owen warned that it would not be achieved 'at the present tempo and style of negotiations'.

Peacekeeping

The Secretary of State praised the peacekeeping effort of the United Nations during the past year. Britain was 'totally committed' to the concept of UN peacekeeping, and, with its partners in the European Community, would be appealing to all members of the United Nations to reaffirm their support for UN peacekeeping measures. Britain had backed this support with men, facilities and money, and, following a review of its capacity to

assist in peacekeeping operations, Dr Owen announced that, if requested and subject to national commitments and exigencies, Britain would make available an infantry battalion or Royal Marine commando group for up to six months. This force would be available at seven days' notice, and would be airlifted, together with its equipment, to the area of operation.

Recalling that in his address to the Assembly last year he had singled out the Lebanon as an example of where the United Nations should be involved in trying to resolve a major crisis, Dr Owen noted that it had taken the Israeli military involvement in southern Lebanon last March (see p 122) to make the international community aware of the need for action. However, the Security Council had acted with 'admirable speed', and UNIFIL (the UN interim force in southern Lebanon) had undertaken its task with 'remarkable tenacity'. The first part of UNIFIL's mandate – the complete withdrawal of Israeli forces – had already been effected, and the difficult task of restoring the authority of the Lebanese Government in the south still lay ahead. The solution to this problem, however, depended on resolving the larger political crisis in Lebanon, and Dr Owen appealed to 'all members of the United Nations committed to the restoration of the authority of the Lebanese Government throughout the country' to make a determined effort to work urgently for a political solution to Lebanon's problems.

Arab-Israeli Relations

Turning to the Camp David summit (see pp 352-4), Dr Owen said that the meeting 'has given renewed hope that a just, durable and comprehensive settlement can be achieved'. Although there were many major questions to be resolved, the gap between the two sides had narrowed significantly. The detailed provisions in the Sinai accord for demilitarisation, force reductions and United Nations involvement were something which Britain had long advocated, and the Camp David agreement provided also a reasonable basis on which realistic interim arrangements for the West Bank could, 'given the will', be negotiated in greater detail. Dr Owen appealed to those who had condemned the agreements to look at them again more carefully, for they were based upon Security Council resolution 242 and 'upon the international consensus in its favour'.

Southern Africa

Referring briefly to Namibia, which the Security Council was to consider the next day (see pp 350-2), Dr Owen commended 'the political commitment and the atmosphere of patient diplomacy' that had characterised the whole issue of Namibia as an example of how the United Nations could act. It would be a tragedy for southern Africa, he said, if 'at this late stage' the opportunity for Namibia to become independent were rejected.

Describing racism as 'one of the greatest evils which we face in the world community today', Dr Owen said it was imperative to make clear 'our absolute, united condemnation of apartheid'. Unfortunately there had been no real sign of movement towards change in South Africa during the last year, but it was necessary to repeat once again the message that change was inevitable and 'time is not on our side if that change is to be peaceful.'

For Dr Owen's comments on Rhodesia, see pp 346-7.

European Community

During Council meetings in September further discussions were held on the proposed European monetary scheme, and on the current round of multilateral trade negotiations, during which ministers expressed concern that a United States law waiving duties on certain Community imports might not be extended after its expiry in the new year. The Council appointed the members for the Economic and Social Committee for the next four years, and agreed on a special regulation covering imports from China. Measures enforcing the crisis arrangements for the iron and steel industry were extended for a further two months. Foreign ministers issued a statement on the Camp David summit meeting. Fisheries ministers discussed proposed measures for conservation of stocks and the question of signing agreements with non-member countries; no agreement was reached, with the exception of temporary arrangements for Spanish fishing in Community states' waters. Britain has introduced further measures for conservation of fish stocks in its waters.

ECONOMIC POLICY

European Monetary System

At a meeting on 18 September attended by finance ministers, the Council continued its discussions on the question of the European monetary system proposed at the European Council meeting at Bremen in July (see pp 281-3). The discussions were held on the basis of interim reports from the Monetary Committee and the Committee of Central Bank Governors on the implications and possibilities of closer monetary co-operation, and on an interim report from the Economic Policy Committee on the parallel question of resource transfers to strengthen the economies of the less prosperous member states.

One of the principal subjects of discussion concerned the form of exchange rate mechanism to be embodied in the new monetary system. Under one scheme, known as the 'basket' system, participating currencies would be denominated in terms of a common 'European currency unit', while under an alternative, the 'parity grid' system, currencies would be linked directly to each other. A compromise formula, put forward at the Council meeting, suggests defining the central rates of currencies in terms of a European currency unit, while using the parity grid system to fix the margins at which market intervention would actually take

place. These matters were also discussed at a meeting in Aachen on 14 and 15 September between the Federal German Chancellor, Herr Helmut Schmidt, and the French President, M. Valéry Giscard d'Estaing. These discussions will be continued at Council meetings in October.

Regional Development Fund

An allocation for Britain of £21 million from the Regional Development Fund was announced by the Commission on 13 September. Grants from the Fund contribute to infrastructure and industrial projects in the less prosperous areas of the country. This allocation, which is the second for 1978 (see p 248), brings the total contribution to projects in Britain to £194 million since the start of the Fund in 1975. Of the £21 million, which covers 84 projects, England will receive about £7 million, while Northern Ireland, Scotland and Wales will each receive about £4·5 million.

TRADE AND INDUSTRY

At a Council meeting on 19 September a number of issues were discussed relating to trade and industrial matters.

Economic and Social Committee

The Council announced that, after consultations with the Commission, it had appointed the members of the Economic and Social Committee for the period from 19 September 1978 to 18 September 1982. The Committee is the main forum in which economic and social groups in the Community can take part in the process of opinion-forming and decision-taking, and in appointing its members the Council had taken account of the need to ensure adequate representation of the various categories of economic and social activity within the Community.

Trade Relations with China

The Council agreed on a special regulation concerning the common system applicable to imports from China, which had hitherto been governed by a general regulation covering countries with centrally-planned economies. The object of the new regulation is to ensure the successful implementation of the provisions of the trade agreement between China and the Community signed in April (see p 119) calling for increased liberalisation of imports from China.

Multilateral Trade Negotiations

The Council heard a report from the Commission on the progress of the current 'Tokyo Round' of multilateral trade negotiations which are due to end in mid-December in accordance with the declaration at the Bonn summit meeting in July (see p 295). In particular the Council expressed its 'gravest concern' at the possibility that the United States Congress might not extend a law due to expire on 3 January 1979, which temporarily permits the United States Government to place a waiver on the imposition of countervailing duties on certain imports from the Community. It gave its 'entire support' to the Commission's view that 'it would not be realistic to conceive of a possible conclusion to the negotiations' without an assurance that the waiver would be extended. The Council also reaffirmed the need, stressed at the Bonn summit, for the GATT (General Agreement on Tariffs and Trade) rules to be applied in a uniform manner by all partners.

Iron and Steel

The Council agreed to the extension for two months from the beginning of October of the deposit system in the iron and steel industry, with certain alterations in the detailed implementing rules. This scheme was first introduced in July with the aim of strengthening the measures being taken to alleviate the crisis in the Community's iron and steel industry (see p 285).

FOREIGN AFFAIRS

Camp David Summit

The foreign ministers of the Nine issued a statement on 19 September welcoming the outcome of the Camp David summit meeting (see pp 352-4). They congratulated President Carter on 'the great courage' with which he had initiated and brought to a successful conclusion the meeting, and they expressed their appreciation 'for the great efforts by President Sadat and Prime Minister Begin'. The statement said that the Nine had advocated for many years 'a just, comprehensive and lasting peace settlement' on the basis of United Nations Security Council resolutions 242 and 338, and it recalled the Nine's statement of 29 June 1977 setting out their position on the requirements for such a settlement (see p 266, 1977). Expressing the hope that all parties would find it possible to join in the peace process, the Nine ended their statement by pledging their 'strong support to all efforts to achieve such a peace'.

FISHERIES

Council of Ministers' Meeting

At their meeting on 25 September, the fisheries ministers dealt with both internal and external aspects of the community fisheries policy.

Internal Aspects

The Council discussed Commission proposals on conservation measures, but no agreement was reached. The British delegation regarded the proposed measures as inadequate; other member states also had reservations. The Ministry of Agriculture, Fisheries and Food (MAFF) stated in a press notice dated 27 September that Britain had 'defended vigorously the measures it is already taking to protect herring stocks to the west of Scotland and in the Irish Sea, and those it will shortly take to extend the Norway pout box and to increase the mesh size in fishing for nephrops [Norway lobsters]' (see pp 247 and 332).

During the Council meeting, the Irish Republic's Minister of Fisheries, Mr Brian Lenihan, said that his country's fishermen would be justified in continuing to fish for herring in the Irish Sea until they exhausted the quota to which all member countries except Britain had agreed. Under arrangements introduced by the British Government, Irish Sea

herring fishing had been banned within British fishery limits from 24 September (see p 332). MAFF remarked in its press notice that the Irish statement 'contrasts with the British reaction to Irish national measures, which our vessels have been instructed to observe'. It continued: 'While [the British] Government obviously cannot affect anything done within Irish fishery limits, the fishery is now closed within British fishery limits and the Government has ensured that adequate arrangements have been made.'

External Aspects

The current President of the Council – the Federal German Minister of Agriculture – wished to apply the 'qualified majority' voting procedure to the question of signing framework agreements with non-member countries, as he had done at the July meeting (see p 284). In addition to agreements with the Faroes, Norway and Sweden, which had been discussed at that meeting, the agreement with Spain also came up for consideration. However, Britain's representatives again objected to the application of the voting procedure, and the Council did not agree to the signature of the agreements. MAFF stated in its press notice: 'The United Kingdom again made it clear that the future of the British fishing industry was a matter of vital national interest, and successfully resisted the adoption of voting [on the agreements], pointing out to the Council the difficulty of making formal progress on agreements with [non-member] countries so long as the internal policy remained to be settled, and other member states failed to give proper consideration to the needs of the United Kingdom fishing industry. However, the United Kingdom did agree to practical arrangements necessary to regulate Spanish fishing in the waters of Community states for the next three months only, in accordance with the objective of eventual reciprocity in fishing opportunities between Spain and Community countries.'

For an outline of the British Government's views on a future common fisheries policy and of the background to the discussions, see COI Factel No 669, May 1978, *Britain's Fisheries in the European Community*.

Britain's Conservation Measures

The Government has decided, in the light of international scientific advice, to introduce a ban on fishing for herring in the Mourne fishery within 12 miles off the eastern coast of Northern Ireland. The ban came into operation on 20 September and will apply until the end of the year. The approval of the Commission was sought for the introduction of the measure, in accordance with the agreed procedures. A limited exception granted to small vessels was withdrawn after seven days, when the maximum allowed catch had been taken.

This measure, like those announced in July and August (see pp 247 and 332), applies to both British and other countries' vessels. British vessels alone are affected by two measures introduced in September, aiming at the conservation of haddock stocks. The first of those restricts to 8 cwt per member of the crew per week the amount of haddock which can be landed from the specified waters off the west coast of Scotland. The second measure establishes a system of licensing for North Sea haddock fishing by vessels 40 feet or over in length, and restricts landings by the licensed vessels to 20 cwt per crew member per week.

Southern Africa

Recent moves to find internationally acceptable settlements for the problems of Rhodesia and Namibia are summarised in this article.

RHODESIA

Britain's commitment to seek a peaceful settlement to the situation in Rhodesia, and its belief that this could best be achieved through an all-party conference, was reaffirmed by the Foreign and Commonwealth Secretary, Dr David Owen, in his speech at the opening of the United Nations General Assembly on 27 September (see also p 342). He also urged all members of the United Nations to do all in their power to make such a meeting a success.

Secretary of State's Speech

Most countries, Dr Owen stated, were pledged to bring about majority rule, a return to legality and independence in Zimbabwe and wished to do so without further bloodshed and in a way acceptable to the people as a whole. The objective for all was a non-racial society in the independent Zimbabwe.

The gravity of the present situation, however, could not be exaggerated, he continued, nor could the threats it posed: of escalating hostilities (over 3,000 deaths so far in 1978), an increasing refugee problem and of possible famine for Rhodesia; of economic instability and political insecurity – as highlighted by recent raids into Mozambique (see p 348) – for its neighbours; and of foreign intervention embroiling the whole of Africa in a conflict out of all proportion to its original dimensions.

The British Government, Dr Owen explained, had striven for a negotiated settlement on the basis of principles endorsed by the United Nations and the British Parliament (see pp 206-9). So far, progress had been slow, but, encouraged by the support of the main African States and the international community, Britain and the United States were making every effort to bring about a satisfactory solution. There was no magic formula for peace in Zimbabwe and ultimately it was for the people to decide the basis of their independence. No one could impose a particular constitution or a particular leader in Zimbabwe. In this connection, he noted that the Organisation of African Unity had endorsed the right of all leaders to participate in elections.

Britain's objective, Dr Owen emphasised, was to do everything possible to bring about a peaceful settlement through negotiations providing for majority rule and independence on a basis acceptable to the people of Zimbabwe as a whole. This

was the aim of the Anglo-American proposals placed before the Security Council in 1977 (see pp 414-15, 1977), and within their framework, Britain would honour its obligations, play a major part in any settlement, and contribute fully in terms of money, manpower and expertise. It would not, however, assume a colonial role which it had never exercised, had rejected in 1965, and which was even more inappropriate in 1978.

Since September 1977 the Anglo-US proposals had been elaborated and refined, particularly with respect to the powers of the Resident Commissioner, concerning which some of the parties had expressed strong views. On this he hoped that a workable formula had been found for an Executive and Legislative Council with powers on law and order reserved to the Resident Commissioner (see pp 206-9). It was now necessary to agree on other aspects of the proposals – the balance and representation on the Council and the decision-making procedure; the appointment of a Resident Commissioner and the duration of his term of office; the timing of elections and of independence; the proposals for a Zimbabwe National Army; the establishment of a unified command of all armies; the timetable of a ceasefire; and the structure of the United Nations Zimbabwe Force. Some of these proposals, Dr Owen explained, had been presented to the parties in the form of options. No ultimatums had been issued. The detail was negotiable, but if the parties continued to argue over the structure of a settlement, he warned, then the war would continue, and the bloodshed would increase; and neither Britain nor the United States would be able to prevent a fight to the finish.

These preparations, Dr Owen added, had been undertaken in the belief that the ground for final negotiations had to be thoroughly prepared. Nothing had been pre-empted, the parties having to decide for themselves. Once they did, Britain would enact the necessary legislation immediately and he hoped the Security Council would act to establish the United Nations Zimbabwe Force as speedily as possible.

Talks in Southern Africa

The current round of negotiations for a peaceful settlement in Rhodesia began in early June when, as announced by Dr Owen on 4 May (see pp 206-9), the Deputy Under-Secretary in the Foreign Office concerned with African Affairs, Mr John Graham, and the United States Ambassador to Zambia, Mr Stephen Low, returned to southern Africa to carry out preparatory work for successful round-table talks. In particular, their task was to persuade the 'transitional government' in Rhodesia of the advisability of such talks, it having rejected the need for them in April. In the same month, the leaders of the Patriotic Front, Mr Joshua Nkomo and Mr Robert Mugabe, had agreed that a round-table conference should be held as soon as possible (see pp 152-5).

Since its arrival in Salisbury on 6 June, the Anglo-US mission had remained in southern Africa almost continuously, the only break being from mid-July to early August when the two diplomats reported on their work to Dr Owen and the United States Secretary of State, Mr Cyrus Vance, in London. During this time, talks have been held with the Patriotic Front and the parties to the internal settlement agreement (see pp 92-3), and with the Governments of the Front Line States (except Angola),[1] Malawi and South Africa. The opportunity has also been taken to ascertain the views of a wide range of opinion within Rhodesia. The issues involved were also discussed in meetings between Dr Owen and the black leaders of the transitional government – the Reverend Ndabaningi Sithole (African National Council (Sithole)), Chief Jeremiah Chirau (Zimbabwe United People's Organisation) and Bishop Abel Muzorewa (United African National Council) – when, separately, they visited London between the end of July and mid-August.[2]

The peace efforts have taken place against a background of increasing hostilities between the Rhodesian security forces and guerrilla forces supporting the Patriotic Front, and in which casualties, including missionaries and African villagers, as well as members of the opposing forces, have been high. They have also involved a number of attacks by Rhodesian forces on guerrilla bases in Zambia and Mozambique, including a two-day incursion into Mozambique at the end of July in which ten bases were 'neutralised'. The escalation of the war has taken place despite the efforts of transitional government officials to persuade guerrillas operating in the tribal trust lands to give their support to the internal settlement. A number of these officials, supporters of Bishop Muzorewa and the Reverend Sithole, have been killed by the guerrillas while engaged in this task.

These developments served only to increase the difficulties facing the Anglo-US mission, but by the end of August, prospects for a round-table conference had discernibly increased. On 17 August, Chief Chirau declared his support for such a conference, arguing that it was what most people wanted and that it would enable progress to be made in solving the Rhodesian problem. On the next day, Mr Ian Smith, Rhodesia's Prime Minister, said that the transitional government would not oppose such a conference if, after certain issues had been clarified, it was thought to be in the best interests of the country. At the same time, the Patriotic Front leaders, while expressing annoyance at the delay in holding the conference and having increasing doubts about its likely effectiveness, remained committed to taking part in one. In late July the Organisation of African Unity, at its summit meeting in Khartoum, reaffirmed its support for all-party talks.

In early September it became known that Mr Smith and Mr Nkomo had met in Lusaka in mid-August (probably 14 August), but their differing accounts of the meeting, combined with conflicting claims as to whether or not they had taken their colleagues into their confidence when arranging the talks, damaged rather than advanced the prospects for all-party talks. They also revealed the uncertain nature of the alliances that made up the

[1] The others are Botswana, Mozambique, Tanzania and Zambia.

[2] In the House of Commons on 3 August (*Hansard*, cols 771-898), an adjournment motion arising from the Conservative Party's disquiet with the Government's policy towards Rhodesia was defeated by 171 votes to 165. The main Conservative criticism was that support had not been given to the transitional government.

transitional government and the Patriotic Front respectively. Mr Smith's claim that his colleagues in the Executive Council knew in advance of his plans to meet Nkomo was denied by the Reverend Sithole and Bishop Muzorewa, who said they had no idea whom Mr Smith intended to meet, only that he might visit Zambia; while Mr Nkomo denied Mr Smith's assertion that Mr Mugabe had not been informed of the meeting. Mr Smith also maintained that the talks were only 'exploratory and inconclusive' and did not constitute negotiations, and denied Mr Nkomo's claim that he had asked him to return to Salisbury to assume the reins of power. In this connection, Mr Nkomo had also stated that he had told Mr Smith that he would only return with Mr Mugabe and if the transitional government was dismantled and total power transferred to the Patriotic Front. On 2 September, a spokesman for Bishop Muzorewa said that if the alleged offer had been made, then 'we must consider Mr Smith as the traitor he is', while a few days earlier the Reverend Sithole had accused Mr Smith of betraying the internal settlement. The meeting was also reported to have been the cause of differences within the Front Line States, particularly between Zambia, whose President Kaunda had helped arrange it, and Tanzania. On 3 September, at the end of a two-day meeting of the Front Line States, President Nyerere of Tanzania said that they had agreed clearly and unanimously that the Lusaka meeting was 'nonsense' and that there would be no more. On the following day, however, Mr Nkomo stated that President Nyerere could not tell him what he should do, and he would take what steps he thought appropriate.

The prospects for talks further diminished with the shooting down of an Air Rhodesia plane on 24 September near the Zambian border and the subsequent killing of ten of the 18 survivors by guerrillas. Mr Nkomo claimed that his forces had shot the plane down, alleging that Air Rhodesia planes were being used for military purposes, but denied that they had killed the survivors. The Executive Council reacted strongly to the incident. On 6 September Mr Smith stated that the time had come 'for less talk and more action', and four days later he announced the introduction of a modified form of martial law which would be applied in particular areas as and when required 'in order to facilitate the . . . war effort, while . . . leaving intact those civil authorities which are required to continue to play their part'. He also announced that steps would be taken to 'liquidate the internal wings of those organisations associated with terrorism', and he confirmed on 14 September that the internal wings of the Zimbabwe African National Union (ZANU) and the Zimbabwe African Peoples Union (ZAPU), the parties of Mr Mugabe and Mr Nkomo respectively, were to be banned. From 15 to 23 September Rhodesian armed forces undertook a major raid into Mozambique against guerrillas belonging to the Zimbabwe National Liberation Army, the military wing of ZANU, in which 25 bases were attacked and 'hundreds' of guerrillas killed.

Reacting to the new measures, Mr Nkomo, speaking on behalf of ZAPU on 11 September, said that Mr Smith had gone 'on the warpath' and that, as a result, 'the all-party conference is dead and buried'. For his part, Mr Smith, speaking on 14 September, described Mr Nkomo as a 'monster' and ruled out further talks with him since he had 'put himself out of court'. Similarly, speaking on 17 September, the Reverend Sithole said that the transitional government was determined not to attend an all-party conference as conceived by Britain and the United States. On 12 September, however, a spokesman for Mr Mugabe said that the Patriotic Front was still committed to negotiations on the basis of all-party talks.

Kano Talks

The deteriorating situation in Rhodesia was among the matters discussed in a meeting between the British Prime Minister, Mr James Callaghan, and President Kaunda of Zambia in Kano, Nigeria, on 23 and 24 September. The meeting was suggested by President Kaunda, but both leaders were deeply concerned about events in Rhodesia and considered that it was a good time to review the situation. Another topic discussed was the Bingham report on the breaking of oil sanctions (see below), but the main purpose of the meeting was to discuss bilateral relations between the two countries. Britain is Zambia's main source of foreign aid, and is expected to provide it with aid totalling £22·7 million in 1978-79, nearly double that provided in 1977-78.

The Bingham Inquiry

The inquiry into the supply of petroleum and petroleum products to Rhodesia under Mr Thomas Bingham QC was appointed by Dr Owen in April 1977. In particular, it was asked to find out how supplies had reached Rhodesia since sanctions were introduced (December 1965), and the extent to which persons and companies within the scope of the Sanctions Orders (see pp 1211-13, 1965) had participated in such operations. In his inquiry, Mr Bingham received the full co-operation of the British Government and of the British-based oil companies concerned. His report was published on 19 September. Among other points, it brings out that, once sanctions were introduced, the best way of ensuring that no oil reached Rhodesia would have been an embargo on oil shipments to South Africa (and Portugese Mozambique), action which would have amounted to economic warfare and which, for both economic and political reasons, neither Britain nor Western countries generally were prepared to contemplate.

The Report

The following is a brief summary of the findings of the inquiry.

Following the introduction of sanctions the British-registered parent oil companies, Shell Petroleum Co Ltd and British Petroleum (BP) Co Ltd, acted quickly to endeavour to secure the compliance of the Consolidated[1] marketing companies

[1]The Consolidated Petroleum Company Limited ('Consolidated'), jointly owned by Shell and BP and incorporated in London, was and is a holding company which rendered administrative services to all Shell/BP marketing companies in southern Africa which, with the exception of those in South Africa after November 1967, were always its subsidiaries. Although Shell South Africa and BP Southern Africa technically ceased to be subsidiaries in November 1967, they continued to be treated as such until June 1975.

in South Africa, Mozambique and Rhodesia with the terms of the Order. In South Africa, however, this was impeded by the South African Government's insistence that there should be no embargo within South Africa on supplies to Rhodesia. In 1966 oil supplies continued to reach Rhodesia from South Africa direct by road and via Mozambique by rail. In the latter case the figures suggested that a substantial proportion came from Shell and BP locally-incorporated marketing companies in South Africa.

Between December 1966 and the end of 1967 Shell Moçambique (incorporated in Britain), pursuant to contracts between Shell South Africa and Parry Leon and Heyhoe in Johannesburg, delivered about 153,000 tons of oil at Lourenço Marques to Parry Leon and Heyhoe, which then sold them to the Rhodesian oil procurement agency, GENTA. In this connection, the report notes that 'Shell South Africa was under strong pressure from the South African Government, if not under legal obligation, to make sales to South African buyers able to pay the price, which is what Parry Leon and Heyhoe were'. It also states that 'while the product probably passed technically through the ownership of Shell Moçambique, it was supplied by the Consolidated marketing companies in South Africa and was in the main transported to Mozambique from South Africa'.

From about May 1966, when the scale of the supply of oil to Rhodesia became known, to late 1967, the British Government explored a number of schemes and made diplomatic moves to bring the supply to an end. In so doing, it came to believe that without the co-operation of South Africa and Portugal, the supply to Rhodesia could not (without an embargo on oil supplies to South Africa and Mozambique) be stopped altogether. In December 1967, it decided to defer consideration of proposals for intensifying sanctions, including the possibility of stopping the supply of oil to Rhodesia through Mozambique. By this time the emphasis in British policy had changed: the problem of preventing all oil reaching Rhodesia through Lourenço Marques was regarded, in the short term, as insoluble, and the immediate objective became to ensure that British companies at least were not engaged in this trade and that no British oil was reaching Rhodesia.

Up to this time, the British Government had fully accepted assurances by the Shell and BP Groups, which they in turn had received, and believed, from their general manager in South Africa, that no sales were made by the Consolidated marketing companies in South Africa and Mozambique to customers who were known or thought to be passing it on to Rhodesia. Towards the end of 1967, however, the Government became suspicious concerning Shell Moçambique's operations, and these suspicions were confirmed by the Shell and BP groups at a meeting with Mr George Thomson, then Secretary of State for Commonwealth Relations, on 21 February 1968. At the same time, Mr Thomson was told that arrangements had since been made for orders placed by suspicious companies henceforward to be met from non-British sources at Lourenço Marques. This arrangement, the details of which were communicated to the Government in the following year, if not on 21 February, was that such orders should be fulfilled by Total South Africa[1] in exchange for an equivalent quantity of oil supplied to it in South Africa by the Consolidated companies in that country. The Government thought that this was the best arrangement which could be made in the circumstances, although it recognised that it would not itself prevent or reduce the quantity of oil reaching Rhodesia.

The exchange arrangement ended at the end of 1971, although this was not known to Shell and BP management in London. From then until the closure of the Mozambique border in March 1976 (see p 108, 1976), oil from the Consolidated marketing companies in South Africa, ordered by a Rhodesian intermediary, once again reached Rhodesia via Shell Moçambique, although this supply diminished following the opening of a direct rail link between South Africa and Rhodesia in September 1974. Shell Moçambique's reinvolvement was discovered in early 1974 by London-based executives visiting South Africa, but instructions to remove it from the supply line were not acted upon, nor did the executives' superiors in London learn that a significant change had occurred in the situation. Thus, when contact between the British Government and the Shell and BP groups regarding sanctions was resumed in mid-1976, the latter gave the impression, in a letter of 30 June, that the situation had remained substantially unchanged since 1968 and that the exchange arrangement with Total South Africa was still in being.

From about mid-1976, following the closure of the Mozambique-Rhodesia border, South African concerns took over all responsibility for the supply of oil to Rhodesia. So far as it could be ascertained, the report notes, 'the situation has continued up to the present', and 'it seems probable that neither the Shell nor BP marketing companies in South Africa are now selling to any intermediary who is known to be selling to Rhodesia'.

Observations

The Total exchange arrangement, the report states, was acceptable to the British Government because it took British oil companies out of the line of supply to Rhodesia and enabled it to be said that British oil was not reaching Rhodesia. 'In the light of Britain's primary responsibility for Rhodesia', it continues, 'that seemed an object worth achieving even though the arrangement [did] not deny oil to the illegal regime.' It also notes, however, that the Government's acceptance of an arrangement with this weakness induced among some of the oil company officials directly concerned a belief that compliance with the Sanctions Orders was to be regarded as a matter of form rather than of substance, that it was the letter which mattered, not the spirit. The failure to communicate to, or within, Shell headquarters matters which should have been communicated could, it considers, be traced to this belief. (The matters referred to are the ending of the Total arrangement in 1971, known to the Shell management in South Africa, and its discovery by London-based executives in 1974.) Had the groups in London, the report suggests, appreciated that such a significant change had occurred in 1971, it

[1]A subsidiary of the French oil company, Compagnie Française des Pétroles.

would have been clear that the Government should have been told and consideration given to what action was needed to ensure that the Sanctions Orders were complied with. Their failure to inform the Government 'can be excused only on the basis [which the report accepts] of their ignorance or inadequate appreciation of the change which had occurred'.

Its main criticism, the report states, relates to failures to disclose, either within the oil company groups or by the groups to the Government, information which would have enabled them to base their action on a clear understanding of the salient facts as far as they were known. 'In the event', it concludes, 'both the British Government and the top management of the groups, save for limited periods . . . were ignorant of facts which should have been the subject certainly of consideration and possibly of action. This ignorance led them to make statements and give assurances which they would not have done with the full knowledge of the facts.'

NAMIBIA

Despite its rejection by South Africa, the report of the United Nations Secretary-General for the implementation of the proposal of five Western powers for a settlement of the Namibian problem (see pp 155-8) was approved in a resolution of the United Nations Security Council adopted on 29 September. The Council also requested the Secretary-General to report on the implementation of the resolution by not later than 23 October. South Africa's rejection of the report, announced on 20 September, was described by Dr Owen, as a 'major setback for the cause of peaceful change in southern Africa'.

The Report

The UN Secretary-General, Dr Kurt Waldheim, circulated his report to all the interested parties on 29 August. Its recommendations were based on the findings of his Special Representative for Namibia, Mr Martti Ahtisaari, who had led a survey mission to Namibia between 6 and 23 August for extensive consultations with representatives of the various population groups in the country and with the South African authorities. The report follows in all major respects the proposal of the five Western members of the Security Council (Britain, Canada, France, the Federal Republic of Germany and the United States), adopted by the Security Council on 27 July (see pp 290-2), although it goes into greater detail about the task to be carried out by the civilian and military components of the United Nations Transition Assistance Group (UNTAG).

The report provides for the independence plan and the work of UNTAG to be carried out in stages as detailed in the proposal of the five powers. First would come a cessation of all hostile acts by all parties and the withdrawal, restriction or demobilisation of the various armed forces. The second step would involve the conduct of free and fair elections to a constituent assembly, with preconditions including the repeal of restrictive laws, the release of political prisoners, the voluntary return of exiles, and the establishment of effective monitoring by the United Nations and an adequate period for electoral campaigning. The next stage would see the formulation and adoption of a constitution by the elected assembly, to be followed by the entry into force of the constitution, and independence.

The report states that, because of the delay in obtaining Security Council approval for the five powers' proposal (see pp 290-2), it was now impossible to achieve the proposal's target date for independence of 31 December 1978. It notes, in this connection, that the South African authorities, having also decided on this independence date, felt that elections should take place as originally scheduled, while a majority of the political parties had stressed the need for sufficient time to ensure free and fair balloting. In order to abide by the provisions in the proposal for a properly prepared election, it concludes that elections could not take place until seven months after implementation of the proposal had begun. It also points out that the date of independence would fall within the competence of the elected constituent assembly.

The UNTAG operation, the report anticipates, would last a year and cost up to $300 million. It recommends that UNTAG's military component should comprise seven infantry battalions numbering about 5,000 men, together with 2,300 logistic and support troops and 200 monitors. Its functions would include monitoring the cessation of hostile acts, the restriction to base of the armed forces of South Africa and the South West Africa People's Organisation (SWAPO), the phased withdrawal of all except the specified number of South African forces and the restriction of these to defined locations (see pp 155-8). It would also have the task of preventing infiltration. The civilian component would comprise 360 civil police officers, whose duties would include preventing any interference in the electoral process, and about 1,500 civilians to supervise the electoral process, advise the Secretary-General's Special Representative as to the repeal of discriminatory laws and assist with the release of political prisoners and the peaceful return of refugees.

In conclusion, the report emphasises that if the United Nations operation is to proceed effectively, it will require the full support and backing of the Security Council as well as the full co-operation of all parties. It will also need the co-operation and support of the neighbouring countries. The operation will be under the overall direction of Mr Ahtisaari.

South Africa's Rejection

South Africa's misgivings regarding the report were first revealed in a letter from its Foreign Minister, Mr Roelof Botha, to Dr Waldheim on 6 September. In particular, these concerned the size envisaged for UNTAG's military component, the introduction of a civilian police contingent and the seven-month preparation period for elections. In the next few weeks the five powers, in intensive consultations with the Secretary-General, South Africa, SWAPO, the Front Line States and other interested parties, urgently attempted to seek a way to allay South Africa's anxieties and secure its endorsement of the report. These efforts, however, proved abortive, and

on 20 September, after a Cabinet meeting, the South African Prime Minister, Mr Vorster,[1] announced that South Africa would proceed with elections in Namibia without further delay. South Africa's Administrator-General in Namibia, Judge M. T. Steyn, announced on 26 September that the elections, originally scheduled for 20-24 November, would take place from 4 to 8 December.

In his statement of 20 September, Mr Vorster spelled out his country's objection to the report in greater detail. He described the envisaged UNTAG military force as 'an operational peacekeeping force or an occupation force', and not one consistent with 'the establishment of a visible peace' as described in the five powers' proposal. During negotiations, he claimed, the five powers had never mentioned a figure higher than 3,000, while South Africa had indicated that it could not accept one exceeding 2,000. Such a large force, he also suggested, would not be welcomed by the people of Namibia because the impartiality of the United Nations had been rendered suspect by its 'continued and sustained assistance to SWAPO to the exclusion of all other political parties'. As for the civilian police force recommended in the report, Mr Vorster said that there had been no provision for one in the five powers' proposal, which had stated that the maintenance of law and order in the transitional period would rest with the existing police forces, and that the recommended figure was unnecessarily high. Mr Vorster also complained that, contrary to the provisions of the proposal, there had been no consultation between the Special Representative and the Administrator-General in determining the strength of the military force, nor as yet with regard to its composition. With regard to the timing of elections, he said that SWAPO had deliberately delayed the Security Council's adoption of the five powers' proposal because it had no confidence of winning an election and wanted more time so as to strengthen its forces and secure power through disorder and violence. The people of the territory, however, did not want to delay elections, and more than 85 per cent of the eligible voters had 'enthusiastically' registered to vote. In this connection, he said that South Africa was willing for the registration process to be fully examined by the United Nations.

The elections, Mr Vorster concluded, would be country-wide and based on universal adult suffrage, and would 'establish unequivocably who has the right to speak for the people of South West Africa'. All options would remain open to the elected assembly, which would be free to decide to draw up a constitution or postpone its drafting, to proceed with the five powers' proposal, or to accept the Secretary-General's report.

Of the political parties in Namibia, Mr Vorster's announcement was welcomed only by the Democratic Turnhalle Alliance, a multi-ethnic party which was formed after the dissolution of the Turnhalle Constitutional Conference in November 1977 (see pp 157-8). A spokesman for SWAPO said on 20 September that the announcement represented 'South Africa's UDI' [unilateral declaration of independence] and that SWAPO would not take part in any elections held under South Africa's auspices.

[1]On the same day, Mr Vorster announced his intention to resign. He was succeeded on 28 September by Mr Pieter Botha, the former Minister of Defence. On the next day, Mr Vorster was elected President of South Africa.

The Security Council Resolution

The Security Council resolution (No 435, 1978) was proposed by the five Western members of the Council and three African members, and adopted by 12 votes to nil with two abstentions (Czechoslovakia and the Soviet Union). China did not participate in the voting. In addition to approving the Secretary-General's report, it authorised the establishment of UNTAG for a period of up to 12 months. Reiterating that its objective was the withdrawal of South Africa's illegal administration and the transfer of power to the people of Namibia with United Nations assistance, the Council called on South Africa to co-operate with the Secretary-General in the implementation of the resolution, and declared that all unilateral measures taken by the illegal administration in relation to the electoral process were null and void. It welcomed SWAPO's readiness to co-operate with the Secretary-General, including its willingness, contained in a letter of 8 September, to observe the ceasefire proposals.

Addressing the Council before the voting, Dr Waldheim explained that the size envisaged for UNTAG's military force had been determined by a careful assessment of the tasks it was likely to encounter, and followed detailed discussions with South African military commanders in Namibia. The force would be built up gradually, the figure of 7,500 being the upper limit, and its actual size at any one time would depend on the development of the general situation. With regard to its composition, he said that contingents would be selected in consultation with the Security Council and with the parties concerned, bearing in mind the accepted principle of equitable geographical representation.

On the question of elections, Dr Waldheim emphasised that the objective was not simply the holding of elections by a certain date, but the holding of elections which were manifestly free and fair. It was essential that all aspects of the electoral process were beyond reproach and, equally important, that this was apparent. He assured all parties that no registration process, or any other electoral matter, would be approved by his Special Representative until he was fully satisfied as to its fairness.

British Views

In his speech to the Council, Dr Owen confirmed Britain's support for the Secretary-General's report and endorsed Dr Waldheim's explanatory remarks concerning UNTAG. The Secretary-General was also right, Dr Owen continued, to maintain the timetable set out in the proposal of the five powers and to recognise that this was the key to a free and fair election. It was necessary to 'devise rules and regulations which are fair to all parties . . . . Only if all are given a fair chance, can the international community accept the transition procedure and endorse the subsequent independent government.' He believed that the Namibian people recognised that their genuine concerns had been met by the United Nations proposals.

The five Western Governments, Dr Owen stated, had promised their continued help and support to facilitate the implementation of the report, and

were prepared to talk to the new South African Government and help persuade it that this arrangement was in everyone's interests. They would approach this task in a constructive spirit, but he warned that the South African Government 'must face up to the question of whether they genuinely want an internationally acceptable solution for Namibia or whether they [were] really seeking a pretext to impose the internal solution'. The approach of the British Government would be governed by the attitude displayed by the new South African Government over the next few weeks. 'We are issuing no threats', he continued, 'but they should not underestimate the gravity of the situation that could arise if there is no solution in sight if we meet here in the Security Council again. No one in South Africa should mistake the determination and the reasonable and constructive attitude that we have shown over the last 18 months – and we will show over the next few weeks. The choice', he concluded, 'is now for South Africa. The rest of Africa – and the world – in passing this resolution, have shown which way they wish to go.'

The Middle East

ARAB-ISRAELI RELATIONS

The summit meeting at Camp David in the United States ended on 17 September with the signing of two agreements by Egypt and Israel. The meeting was attended by the President of Egypt, Mr Anwar Sadat, the Prime Minister of Israel, Mr Menachem Begin, and the President of the United States, Mr Jimmy Carter. The first agreement concerns a framework for an overall peace settlement in the Middle East, including a resolution of the Palestinian question, and the second outlines a proposed peace treaty between Egypt and Israel. In a speech to a joint session of the US Congress on 18 September, President Carter said that the agreements held out the possibility 'of resolving issues that history had taught us could not be resolved' and of achieving a comprehensive peace in the Middle East, but he warned of the 'magnitude of the obstacles' that still remained. Five days after the signing of the agreements the texts of letters between the three leaders clarifying certain issues related to the agreements were released. On 2 October it was announced that the final negotiations for a peace treaty between Egypt and Israel would open in Washington on 12 October. This article summarises the texts of the Camp David agreements and of the related letters, and gives an account of reactions to the summit from the British and a number of Arab governments.

THE CAMP DAVID AGREEMENTS

The following are extracts of the main points of the two documents signed by President Sadat and Mr Begin at the end of the Camp David summit meeting.

A Framework for Peace in the Middle East

The parties are determined to reach a just, comprehensive and durable settlement of the Middle East conflict through the conclusion of peace treaties based on UN Security Council resolutions 242 and 338 in all their parts [see pp 441–6, 1973]. . . . *They recognise that, for peace to endure, it must involve all those who have been most deeply affected by the conflict. They therefore agree that this framework . . . is intended by them to constitute a basis for peace not only between Egypt and Israel, but also between Israel and each of its other neighbours which is prepared to negotiate peace with Israel on this basis.* [*Accordingly*] *they have agreed to proceed as follows:*

A: West Bank and Gaza

1 *Egypt, Israel, Jordan and the representatives of the Palestinian people should participate in negotiations on the resolution of the Palestinian problem in all its aspects. To achieve that objective, negotiations relating to the West Bank and Gaza should proceed in three stages:*

(*a*) *Egypt and Israel agree that, in order to ensure a peaceful and orderly transfer of authority, and taking into account the security concerns of all the parties, there should be transitional arrangements for the West Bank and Gaza for a period not exceeding five years. In order to provide full autonomy to the inhabitants, under these arrangements the Israeli military government and its civilian administration will be withdrawn as soon as a self-governing authority has been freely elected by the inhabitants of these areas . . . .*

To negotiate the details of a transitional arrangement, the Government of Jordan will be invited to join the negotiations on the basis of this framework. . . .

(*b*) *Egypt, Israel and Jordan will agree on the modalities for establishing the elected self-governing authority in the West Bank and Gaza. The delegations of Egypt and Jordan may include Palestinians from the West Bank and Gaza or other Palestinians as mutually agreed. The parties will negotiate an agreement which will define the powers and responsibilities of the self-governing authority to be exercised in the West Bank and Gaza. A withdrawal of Israeli armed forces will take place and there will be a redeployment of the remaining Israeli forces into specified security locations . . . .*

The agreement will also include arrangements for assuring internal and external public order. A strong local police force will be established, which may include Jordanian citizens. In addition, Israeli and Jordanian forces will participate in joint patrols and in the manning of control posts to assure the security of the borders.

(*c*) *When the self-governing authority (administrative council) in the West Bank and Gaza is established and inaugurated, the transitional period of five years will begin. As soon as possible, but not later than the third year after the beginning of the transitional period, negotiations will take place to*

determine the final status of the West Bank and Gaza and its relationship with its neighbours, and to conclude a peace treaty between Israel and Jordan by the end of the transitional period. These negotiations will be conducted among Egypt, Israel, Jordan and the elected representatives of the inhabitants of the West Bank and Gaza . . . [in] separate but related committees . . . .

The negotiations shall be based on all the provisions and principles of UN Security Council resolution 242. The negotiations will resolve . . . the location of the boundaries and the nature of the security arrangements. The solution from the negotiations must also recognise the legitimate rights of the Palestinian people and their just requirements. In this way, the Palestinians will participate in the determination of their own future through:

(i) the negotiations among Egypt, Israel, Jordan and the representatives of the inhabitants of the West Bank and Gaza to agree on the final status of the West Bank and Gaza and other outstanding issues by the end of the transitional period;

(ii) submitting their agreement to a vote by the elected representatives of the inhabitants of the West Bank and Gaza;

(iii) providing for the elected representatives of the inhabitants of the West Bank and Gaza to decide how they shall govern themselves consistent with the provisions of their agreement;

(iv) participating . . . in the work of the committee negotiating the peace treaty between Israel and Jordan.

2 *All necessary measures will be taken and provisions made to assure the security of Israel and its neighbours during the transitional period and beyond. To assist in providing such security, a strong local police force will be constituted by the self-governing authority. It will be composed of inhabitants of the West Bank and Gaza . . . .*

3 *During the transitional period, representatives of Egypt, Israel, Jordan and the self-governing authority will constitute a continuing committee to decide by agreement on the modalities of admission to persons displaced from the West Bank and Gaza in 1967, together with necessary measures to prevent disruption and disorder . . . .*

4 *Egypt and Israel will work with each other and with other interested parties to establish agreed procedures for a prompt, just and permanent implementation of the resolution of the refugee problem.*

B: Egypt-Israel

1 *Egypt and Israel undertake not to resort to the threat or the use of force to settle disputes . . . .*

2 *In order to achieve peace between them, the parties agree to negotiate in good faith with a goal of concluding within three months from the signing of this framework a peace treaty between them, while inviting the other parties to the conflict to proceed simultaneously to negotiate and conclude similar peace treaties with a view to achieving a comprehensive peace in the area . . . .*

C: Associated Principles

1 *Egypt and Israel state that the principles and provisions devised below should apply to peace treaties between Israel and each of its neighbours – Egypt, Jordan, Syria and Lebanon.*

2 *Signatories . . . should undertake to abide by all the provisions of the Charter of the United Nations, [including]*

(a) full recognition;

(b) abolishing economic boycotts;

(c) guaranteeing that under their jurisdiction the citizens of the other parties shall enjoy the protection of the due process of law.

3 *Signatories should explore possibilities for economic development in the context of final peace treaties . . . .*

4 *The United States shall be invited to participate in the talks on matters related to the modalities of the implementation of the agreements . . . .*

5 *The United Nations Security Council shall be requested to endorse the peace treaties and ensure that their provisions shall not be violated. The permanent members of the Security Council shall be requested to underwrite the peace treaties and ensure respect for their provisions . . . .*

A Framework for the Conclusion of a Peace Treaty between Egypt and Israel

All of the principles of United Nations resolution 242 will apply in this resolution of the dispute between Israel and Egypt. Unless otherwise mutually agreed, terms of the peace treaty will be implemented between two and three years after the peace treaty is signed.

The following matters are agreed between the parties:

1 *the full exercise of Egyptian sovereignty up to the internationally recognised border between Egypt and mandated Palestine;*

2 *the withdrawal of Israeli armed forces from the Sinai;*

3 *the use of airfields left by the Israelis near El Arish, Rafah, Ras en Naqb and Sharm el Sheikh for civilian purposes only, including possible commercial use by all nations;*

4 *the right of free passage by ships of Israel through the Gulf of Suez and the Suez Canal . . . . The Strait of Tiran and the Gulf of Aqaba are international waterways to be open to all nations for unimpeded and non-suspendable freedom of navigation and overflight;*

5 *the construction of a highway between the Sinai and Jordan near Elat with guaranteed free and peaceful passage by Egypt and Jordan; and*

6 *the stationing of military forces listed below . . . :*

(a) no more than one division (mechanised or infantry) of Egyptian armed forces will be stationed within an area lying approximately 50 kilometres east of the Gulf of Suez and the Suez Canal;

(b) only United Nations forces and civil police . . . will be stationed within an area lying west of the international border and the Gulf of Aqaba . . . ;

(c) in the area within three kilometres east of the international border there will be Israeli limited military forces not to exceed four infantry battalions and United Nations observers;

(d) border patrol units, not to exceed three battalions, will supplement the civil police in maintaining order in the area not included above . . . .

Early warning stations may exist to ensure compliance with the terms of the agreement.

United Nations forces will be stationed:

(a) in part of the area in the Sinai lying within about 20 kilometres of the Mediterranean Sea and adjacent to the international border, and

(b) in the Sharm el Sheik area to ensure freedom of passage through the Strait of Tiran . . . .

After a peace treaty is signed, and after the interim withdrawal is complete, normal relations will be established between Egypt and Israel, including: full recognition, including diplomatic, economic and cultural relations; termination of economic boycotts and barriers to the free movement of goods and people; and mutual protection of citizens by the due process of law.

Interim Withdrawal

Between three months and nine months after the signing of the peace treaty, all Israeli forces will withdraw east of a line extending from a point east of El Arish to Ras Muhammad, the exact location of this line to be determined by mutual agreement.

Exchange of Letters

In addition to the documents signed by President Sadat and Mr Begin, the two leaders exchanged a series of letters with President Carter on their interpretation of some of the issues arising out of the Camp David agreements. The texts of ten of these letters were released by the United States Government on 22 September.

On the subject of the Israeli settlements in the Sinai, Mr Begin wrote that within two weeks of his return to Israel he would submit a motion to the Knesset (the Israeli parliament) on whether the settlements in this area should be removed if a peace treaty between Egypt and Israel were agreed upon. The vote on this question would be free from the usual parliamentary party discipline, and members would be able to vote according to their conscience.[1] President Sadat's letter on this issue states that all Israeli settlers should be withdrawn from Sinai within the period specified for the implementation of the peace treaty. Agreement on this 'basic principle' is a prerequisite to starting peace negotiations, and 'if Israel fails to meet this commitment, the "framework" shall be void and invalid'.

On the question of Jerusalem, which was not covered in the Camp David documents, President Sadat's letter states that 'Arab Jerusalem is an integral part of the West Bank. Legal and historical Arab rights in the city must be respected and restored'. Arab Jerusalem should be under Arab sovereignty and its Palestinian inhabitants are entitled to exercise their 'legitimate national rights'. All measures taken by Israel to alter the status of the city 'are null and void and should be rescinded'. The letter goes on to say: 'all peoples must have free access to the city and enjoy the free exercise of worship and the right to visit and transit to the holy places without distinction or discrimination. The holy places of each faith may be placed under the administration and control of their representatives'. To ensure that the city remains undivided, a joint municipal council, composed of an equal number of Arab and Israeli members, is proposed to carry out the essential functions in the city. Mr Begin's letter on this issue sets out the Israeli position, which is that in July 1967 the Israeli Government decreed that 'Jerusalem is one city indivisible, the capital of the state of Israel'.

Finally, one of the letters from President Sadat sets out Egypt's position with respect to the implementation of the comprehensive settlement. It states that 'to ensure the implementation of the provisions related to the West Bank and Gaza and in order to safeguard the legitimate rights of the Palestinian people, Egypt will be prepared to assume the Arab role emanating from these provisions, following consultations with Jordan and the representatives of the Palestinian people'.

REACTIONS TO CAMP DAVID

Following the end of the Camp David summit meeting, President Carter sent the United States Secretary of State, Mr Cyrus Vance, on a tour to Jordan, Saudi Arabia and Syria to explain the terms of the Camp David agreements. However, Arab reaction has, on the whole, been unfavourable.

The Jordanian cabinet issued a statement on 19 September, in which it said that Jordan was 'not legally or morally bound' by any agreements it had not participated in, and considered separate Arab action 'a weakening of the Arab position which diminishes the chances of reaching the aspired just and comprehensive solution'. Any settlement acceptable to Jordan had to include Israeli withdrawal from all Arab-occupied territories including the Gaza Strip and the West Bank, 'and in particular the return of Arab sovereignty over Jerusalem'. A settlement should also provide for 'the right of the Palestinian people to self-determination in full freedom'. While it considered the Palestinian people 'the principal party in the final settlement of the Palestinian problem', Jordan would not hesitate 'to exercise its responsibilities and role towards the cause of peace in the area and in safeguarding and defending the rights of the Palestinian people'.

A statement released at the end of a cabinet meeting in Saudi Arabia on 19 September said that Saudi Arabia did not consider the results of the Camp David summit constituted a 'final and acceptable formula for definitive peace' because 'it did not make absolutely clear' Israel's readiness to withdraw from all occupied Arab territory, including Jerusalem; 'it failed to record the right of the

[1] On 28 September the Knesset voted by 84 to 19, with 17 abstentions, to endorse the Camp David agreements and to remove the settlements in the Sinai.

Palestinian people to self-determination and to set up their own state in their own homeland'; and it ignored the role of the Palestine Liberation Organisation (PLO). However, the statement went on to say that the Saudi Government did not consider that it had the right to interfere in the internal affairs of any Arab country 'or to oppose such country's right to regain its lost territories by way of armed struggle or through peaceful efforts as long as these do not contradict the higher Arab interests'. The statement ended by calling for 'a united voice and collective Arab stand in order to achieve its high aims'.

From 20 to 23 September there was a meeting in Damascus of the 'Front for Steadfastness and Confrontation', consisting of Algeria, Libya, Syria, South Yemen and the PLO, which is opposed to current efforts to find a solution to the Arab-Israeli conflict (see p 460, footnote 1, 1977). At the end of the meeting, the Front resolved *inter alia* 'to reject and condemn' the Camp David agreement, 'to back the PLO in its capacity as the sole legitimate representative of the Palestinian Arab people; to pool the resources of the Arab nation and to achieve Arab solidarity on the basis of fighting the Zionist enemy and the Camp David results', and to break off economic and diplomatic relations with Egypt.

British Views

Britain's reaction to the Camp David meeting was sent in a message on 18 September from the Prime Minister, Mr James Callaghan, to President Carter. Mr Callaghan congratulated President Carter on 'the most encouraging outcome' of the talks, and said 'only your personal dedication and determination to make progress could have brought the two sides to this significant measure of agreement'. Mr Callaghan said he did not underestimate the difficulties still to be overcome and it would still be 'of vital importance to win the backing of moderate Arab governments for the Camp David principles, and to secure Jordan's participation in future negotiations'. The agreements were also welcomed by the Foreign and Commonwealth Secretary, Dr Owen, in his speech to the UN General Assembly on 27 September (see p 344).

For a statement by the European Community on the Camp David meeting, see p 345.

ECONOMIC AND SCIENTIFIC AFFAIRS

Commonwealth Finance Ministers' Meeting

The 1978 meeting of Commonwealth finance ministers was held in Montreal on 20 and 21 September under the chairmanship of the Minister of Finance of Canada, Mr Jean Chrétien. Following the meeting a communiqué was issued dealing with the world economic situation, international economic co-operation, indebtedness of developing countries, the Common Fund, aid to developing countries, the work of the World Bank Group and of the International Monetary Fund, Commonwealth co-operation, and interdependence of all countries. The communiqué is summarised below.

World Economic Situation

Ministers noted the slow and uneven rate of economic recovery over the past year in the industrialised countries, and remarked that on the basis of current policies the outlook for future world economic growth was unsatisfactory. 'The developing countries', states the communiqué, 'also faced prospects of lower growth rates than in the past while millions of their people continued to live in absolute poverty. Against the background of the increasing interdependence of all countries, ministers stressed the need to implement measures to restore sustainable world economic growth and reduce the large and persistent current account surpluses of certain countries to the benefit of both developed and developing countries. They emphasised the need to increase the flow and improve the terms of aid and commercial lending to the developing world.'

Ministers emphasised the need for structural adjustment if world economic development was to proceed 'at an acceptable rate' and if 'an efficient distribution of world economic activity' was to be brought about as between the industrialised and the developing countries. They urged industrialised countries to maintain their commitment to positive adjustment policies and to promote more rapid structural change in their economies.

Expressing 'grave concern over the trend towards protectionism which has presented particular problems for the developing countries and, if unchecked, would endanger the long-term growth of the world economy', ministers called for 'a reversal of present trends and the promotion of a sustained expansion of international trade with particular emphasis on the needs of developing countries'. They urged all participants in the Multilateral Trade Negotiations (see p 295) 'to ensure that the negotiations yield the benefits of trade liberalisation and expansion, and results which fully accord with the undertakings in the Tokyo Declaration regarding non-reciprocity and special and differential treatment in favour of developing countries [see p 394, 1973], so as to provide for a substantial improvement in the conditions of access for products of export interest to developing countries'.

Referring to the World Development Report (prepared by the World Bank), the communiqué states: 'Ministers emphasised that the projections made in the Report on the basis of current trends indicated an unacceptable option for development. The gravity of the situation demonstrated the immediate need to increase resource flows according to accepted targets and for trade expansion in order to alleviate poverty, malnutrition and human suffering. They recommended that future reports should explore in greater depth specific issues of particular importance and also go beyond analysis of trends to indicate what ought to be done in relevant fields to accelerate development in the developing countries.'

International Economic Co-operation

Ministers 'welcomed the report of the Secretary-General on issues covered by the Commonwealth Group of Experts' Final Report [see p 377, 1977], and reaffirmed the decision they took [at their 1977 meeting] in Barbados to continue to use the recommendations of the Report as a basis for constructive action on economic issues in fostering and enhancing the transition to a new international economic order. Ministers agreed that progress was increasingly urgent and that Commonwealth Governments should play a full part in specific negotiations in promoting constructive solutions.'

Debt

Ministers welcomed the action of some developed countries in cancelling debts on aid loans (see p 304 for an account of Britain's decision) and called upon others which do not already provide a substantial proportion of their aid in the form of grants to adjust retroactively such debts. They 'noted that the debt service burden of several developing countries continued to be a cause of grave concern and urged the international com-

munity to continue a meaningful search for effective solutions to the indebtedness problem of developing countries'.

Common Fund

Ministers expressed disappointment at the slow progress so far of negotiations on the Common Fund (see pp 169-71), but welcomed the decision to resume the United Nations Negotiating Conference in November 1978. They expressed the hope that the Commonwealth initiatives, particularly the Commonwealth Ministerial Meeting on the Common Fund, would improve the climate for the resumed Conference. 'They undertook', states the communiqué, 'to proceed to an early final agreement on an effective Common Fund and complete as expeditiously as possible the negotiations under the Integrated Programme of Commodities on which much preparatory work had been accomplished.'

Aid to Developing Countries

Drawing attention to the need for increased flows of external financial resources to the developing countries, ministers emphasised that 'all appropriate sources of capital should be mobilised for the purpose' and noted the role which foreign private capital could play in this process. 'They agreed', states the communiqué, 'that the multilateral development institutions, including the regional development banks, should be invited to seek ways of playing a singificant catalytic role in enlarging the flow of external capital into the developing countries on terms acceptable to these countries. They emphasised, however, that a substantial enlargement of the capital resources of these institutions was a necessary pre-condition to enable them to play this role.'

Ministers 'expressed their serious anxiety' that development assistance from the 17 member countries of the Development Assistance Committee of the Organisation for Economic Co-operation and Development had continued to decline as a percentage of their combined gross national product (GNP). If present policies were pursued, 'the already poor prospects for achieving the target of 0·7 per cent of GNP in the near future would worsen.' Ministers from the developed Commonwealth countries reaffirmed their commitment to attain the target as soon as possible. Ministers called for 'an early and substantial increase in the flow of concessionary resources to developing countries, particularly from those developed countries with the largest or strongest economies.'

World Bank Group

Ministers emphasised that the World Bank 'should be enabled to play an enhanced role directly and indirectly in increasing the flow of resources to the developing countries' and reaffirmed their commitment to support a 'substantial increase' of the order of $40,000 million in the Bank's capital resources. They 'agreed to use their collective effort to press for the early conclusion of the negotiations on the capital increase, and . . . emphasised the importance of concluding the negotiations within the next few months and at any rate before the end of January 1979.' They accepted the need for a greater increase in the World Bank's programme lending as a means of assisting developing countries to attain specific development objectives.

Noting that resources of the International Development Association (IDA) were 'of critical importance to the poorest developing countries', ministers 'agreed to do all they could to sustain an increase in the availability of these resources'. They also emphasised 'the need for timely and assured replenishments of concessionary resources of other multilateral development institutions'. They agreed 'to support early action to ensure a substantial increase in real terms' in the sixth replenishment of the IDA's resources. They requested the IDA 'to study possible procedures and mechanisms which would ensure future increases in its resources in a more reliable and assured manner and encourage all countries in a position to do so to subscribe to the enlargement of these resources'.

International Monetary Fund

Ministers 'stressed the need to enlarge and improve the International Monetary Fund's (IMF's) facilities in order to provide adequate and appropriate financial support to countries which faced balance of payments problems. They noted the view that future enlargement of the Fund's resources and development of its policies and practices were of particular importance to enable it to continue to play a forward-looking role in solutions to cyclical and structural balance of payments problems. They expressed concern over the delays in increasing the Fund's capital resources, emphasising the serious adverse effects which such delays could have on adjustment and on economic management generally. They reaffirmed their support for early consideration of a general increase of at least 50 per cent in quotas . . . . They also stressed the urgent need for the Supplementary Financing Facility [see p 432, 1977] to be made operational, with consideration given to subsidisation of interest charges to the developing countries.'

Ministers 'agreed that consideration should be given to increasing the ceilings on drawings', and 'renewed their call for the Fund to review the conditionality associated with the use of its facilities which should be flexible and responsive to economic, social and political realities'. They supported 'a significant allocation' of Special Drawing Rights (SDRs)[1]. 'They invited the Fund to reach an early decision on a new allocation of SDRs during the coming fiscal year and to adopt further measures designed to promote the role of SDRs as the principal reserve asset in the international monetary system through improving the characteristics of SDRs and widening their use.'

Commonwealth Co-operation

Ministers noted that the planned expenditure in the current financial year of the Commonwealth Fund for Technical Co-operation was £12 million. They 'welcomed the increased pledges by a number of developed and developing countries to the Fund to enable it to support its enlarged scope of activities for the year in response to the expanding

[1]SDRs are reserve assets created and distributed by the International Monetary Fund.

requirements of Commonwealth Governments, especially in the field of development, adaptation and diffusion of appropriate technology.[1] They expressed satisfaction with the proposals made by the Commonwealth Committee on Southern Africa . . . for an enhanced programme of assistance to Zimbabwe and Namibia.'

Recalling their agreement in 1977 on the need for special measures to assist small island economies (see pp 377-8, 1977) and the conclusions of Commonwealth heads of Government of the Asian and Pacific Region earlier this year, ministers 'looked forward to early consideration by Governments of special Commonwealth programmes to assist small states throughout the Commonwealth.'

Interdependence

'The theme of interdependence permeated the discussions of the meeting', states the communiqué. 'Ministers stressed the need for its imperatives to influence the policy choices that the international community is now required to make and confirmed their commitment to working in the appropriate fora to this end.'

National Income and Expenditure

Britain's economy grew by nearly 5 per cent in real terms between 1975 and 1977, according to new, rebased, estimates. The latest national income statistics show that Britain's gross national product rose by nearly 12 per cent in 1977 to £124,000 million, mostly owing to increases in pay and prices. The volume of output of goods and services rose by about 1·75 per cent over the year, following a rise of some 3 per cent in 1976. Personal disposable income (income less tax and other deductions) rose by almost 13 per cent at current prices, reflecting cuts in personal taxation during 1977, while savings, at around 14 per cent of disposable income, continued the high levels recorded since 1974. Real personal disposable income, however (allowing for price changes), fell by about 1·5 per cent.

The National Income and Expenditure 'Blue Book',[2] containing statistics of national income, expenditure and output for the years 1967 to 1977, with summary tables back to 1956, was published on 19 September. Prepared annually by the Central Statistical Office, the Blue Book is the standard work of reference for detailed information about Britain's national accounts, providing data about the main aspects of the country's economic activity such as production, consumption, incomes, saving, investment and financing.

[1]See p 346, 1977, for a brief discussion of appropriate technology and a statement of Britain's policy on this matter.

[2]*National Income and Expenditure 1967-77*. HMSO, £4·95. ISBN 0 11 630178 3.

In the present volume, estimates at constant prices have been rebased on average 1975 prices instead of the 1970 prices used previously. This change has had little effect on the growth in national income between 1973 and 1975 but, largely because of the increased weight given to North Sea oil by the new price base, the new estimates show a real growth in economic activity of nearly 5 per cent between 1975 and 1977, about 1·5 per cent more than the previous estimates at constant 1970 prices.

National Income

In 1977 Britain's gross national product (the total income of residents) was £124,000 million. The average per head of population was about £2,220.

Gross domestic product (GDP – the total value of goods and services produced in Britain) increased by 12·7 per cent between 1976 and 1977. The real increase in GDP (measured as the average of income, expenditure and output data) was about 1·75 per cent, making real GDP higher in 1977 than the previous highest value in 1973. The average increase in GDP at constant (1975) prices over the last ten years has been just over 2 per cent a year.

Between 1976 and 1977 gross national disposable income at constant market prices (the volume of goods and services available to the nation from its disposable income[1]) increased by 1 per cent. This was less than the increase in GDP because, although the terms of trade improved slightly in 1977, there was a large fall in net property income from abroad. Over a ten-year period, real national disposable income has increased on average by about 1·5 per cent a year, some 0·5 per cent less than GDP, largely reflecting the decline in sterling over the period.

Expenditure

Percentage changes in the main components of expenditure are shown in Table 1 at both current and constant prices. The table shows that a strong rise of almost 7 per cent in the volume of exports of goods and services more than offset falls in the volumes of consumers' expenditure, and fixed investment and a slight fall in government final consumption, the first since 1969. This, combined with a very low growth in import volume, led to a rise of about 1·25 per cent in the expenditure measure of GDP.

Factor Incomes

Income from employment, of which wages and salaries is the largest element, accounted for 70 per cent of total domestic income, after allowing for stock appreciation, in 1977. Total income from employment rose by nearly 10 per cent in 1977 compared with 15 per cent in 1976, 30 per cent in 1975 and 20 per cent in 1974. This trend partly reflects the successive stages of pay policy since August 1975.

Gross trading profits of companies rose strongly in 1977, by 18·5 per cent before deducting stock

[1]Gross national disposable income at constant market prices is equivalent to gross domestic product at constant market prices adjusted for the effects of changes in the terms of trade, for net property income from abroad and for net current transfers abroad.

appreciation, or by 45 per cent after. Much of this rise was due, however, to the very rapid rise in profits of companies engaged in the exploration for, and production of, North Sea oil and gas. Profits of other companies rose, after stock appreciation, by 30 per cent. The share of total company profits in total domestic income after stock appreciation increased to nearly 9 per cent in 1977, a substantial rise from its lowest share of 6 per cent in 1975, although still below the shares recorded in earlier periods.

The gross trading surplus of public corporations increased by about 15 per cent in 1977, compared with a 45 per cent increase in 1976. The total figure reflects a wide range of performance by the various corporations.

Output at Constant Prices

The output measure of GDP at constant prices rose by just over 2·5 per cent between 1976 and 1977. Almost half of this increase was attributable to the gas and oil exploration and extraction industries. All other industry groups also showed increases with the exception of construction and distributive trades.

Personal Sector Income and Expenditure

Table 2 shows the percentage changes in the components of personal sector income and expenditure.

The buoyant level of current grants from general government reflects the annual increase in rates of

Table 1

Expenditure: Percentage Changes 1967-77

At Market Prices	Current Prices				Constant (1975) Prices			
	1967 to 1974*	1974 to 1975	1975 to 1976	1976 to 1977	1967 to 1974*	1974 to 1975	1975 to 1976	1976 to 1977
Consumers' expenditure	10·5	21·8	16·4	13·6	2·4	–1·5	0·2	–0·9
General government final consumption†	12·5	38·4	16·1	9·4	1·9	5·4	2·1	–0·4
Gross domestic fixed capital formation	12·0	23·0	13·7	7·4	2·0	–1·6	–1·6	–3·7
Exports of goods and services	17·5	17·3	30·5	23·5	7·7	–2·5	9·1	6·7
Total final expenditure	12·5	20·4	20·8	14·7	3·3	–3·0	3·7	1·0
Imports of goods and services	19·5	5·9	26·7	15·2	6·1	–7·3	4·0	0·3
Expenditure GDP at factor cost	11·5	25·5	18·4	12·7	2·5	–1·7	3·6	1·3

*Annual rates.

†Current expenditure on goods and services plus non-trading capital consumption.

Table 2

Personal Income and Expenditure: Percentage Changes 1967-77

	1967 to 1974*	1974 to 1975	1975 to 1976	1976 to 1977
Income from employment	12·0	29·4	14·6	9·7
of which, wages and salaries	11·5	28·4	13·5	9·8
Income from self-employment†	15·0	14·9	18·9	10·8
Rent, dividends and net interest	9·7	15·7	18·4	17·4
Current grants from general government	14·0	30·6	24·1	18·3
Total personal income†	12·0	26·6	16·3	11·5
Taxes on income	14·5	44·8	16·5	3·8
National Insurance etc contributions	14·5	36·9	23·0	12·3
Personal disposable income†	12·0	22·7	15·9	12·9
Consumers' expenditure	10·5	21·8	16·4	13·6
Real personal disposable income	3·4	–0·7	–0·2	–1·5

Annual average.

†Before providing for depreciation and stock appreciation.

Table 3

Consumers' Expenditure: Percentage Distribution 1967-77

	1967	1972	1977
Food (household expenditure)	21·5	18·6	19·5
Housing	12·1	13·2	15·4
Clothing and footwear	8·7	8·5	8·2
Alcoholic drink	6·8	7·3	7·8
Running costs of motor vehicles	4·8	5·3	5·9
Fuel and light	4·7	4·5	5·1
Catering (meals plus accommodation)	5·0	4·7	4·5
Tobacco	5·9	4·5	4·3
Travel	3·2	3·2	3·3
Durable goods:			
Cars and motor cycles	3·0	4·5	3·2
Radio, electrical and other durables	2·0	2·6	2·3
Furniture and floor coverings	2·3	2·4	2·1
Other goods and services	20·0	20·7	18·4
Total	100·0	100·0	100·0

Table 4

General Government Expenditure: Percentage Shares 1967-77

	1967	1972	1977
Main economic categories			
Total final consumption	43·1	44·2	47·0
Current grants to the personal sector	19·1	22·2	24·4
Fixed investment	11·8	10·4	7·8
Subsidies	4·8	4·4	5·4
Debt interest	9·4	8·7	10·5
Other	11·8	10·1	4·9
Main functional categories*			
Military defence	14·4	11·7	11·0
Education	11·3	12·9	12·6
National health service	9·1	9·8	10·8
Housing	6·8	5·7	8·2
Other	58·4	59·9	57·4

*Debt interest is not allocated to the functional categories.

social benefits as well as the increased numbers receiving benefit. Payments of taxes on income changed little between 1976 and 1977, in reflection of tax cuts throughout the year, leaving personal disposable income[1] some 13 per cent higher than in 1976, compared with a rise of 16 per cent in the previous year.

After allowing for the effect of increased prices, real personal disposable income declined for the third year running.

In 1977 total consumer expenditure amounted to about £83,500 million. Table 3 compares the pattern of consumer expenditure in value terms for the years 1967, 1972 and 1977. Certain trends are apparent over the past ten years, most noticeably the fall in the share of expenditure on tobacco and the rise in the shares accounted for by housing and alcoholic drinks (mainly due to increased expenditure on wines and spirits). Although the share of expenditure on durable goods appears little changed over the period, this is a volatile component and comparisons between individual years can be misleading.

[1]Personal disposable income equals total personal income less British taxes on income, national insurance, etc, contributions, net transfers abroad and taxes abroad.

General Government Expenditure

The volume of government spending on goods and services declined by just over 3 per cent between 1976 and 1977, the first significant fall since 1969. Within this total, there was a fall of 18 per cent in fixed investment, a small rise in current expenditure on the National Health Service and, for the only time in the last ten years, no increase in the amount of real spending on education. Table 4 shows how shares of government expenditure have changed over the last ten years. Military defence spending,

which in volume terms fell until 1970, has been roughly constant since then. Between 1967 and 1977 the proportion of total government expenditure taken by military defence fell, while the shares taken by housing, education and the National Health Service all rose. The rise in the share of current grants to the personal sector reflects the increased levels of social security benefits and also the increased numbers to whom benefit is being paid.

Investment

The Blue Book contains detailed analyses of gross domestic fixed capital formation by sector, industry and by type of asset, and a section on the stock of fixed capital valued at current and at 1975 replacement prices.

The volume of private sector investment in plant and machinery increased by some 15 per cent between 1973 and 1977, although total private sector investment changed little over the period. In constant 1975 prices the volume of total fixed investment fell in 1977 for the fourth year running. In 1977 the volume of investment was 8·7 per cent lower than in 1973 and very little different from the values recorded in the later 1960s. The fall over the period was confined almost entirely to the general government sector. The volume of public corporations' investment increased over the period owing to new buildings and works; public corporations' investment in plant and machinery declined.

The volume of investment in dwellings by the private sector was lower in 1977 than in any of the previous ten years and almost 40 per cent lower than in 1975. Government investment in dwellings fell sharply between 1976 and 1977, and in 1977 was at an appreciably lower value than ten years earlier.

Balance of Payments 1977: Revised Figures

Britain had a surplus on current account of £289 million in 1977, the first since 1972. A surplus of £7,361 million on the balance for official financing[1] was the first since 1971. The United Kingdom Continental Shelf oil and gas programme made an estimated direct contribution to the balance of payments of £2,307 million. These figures are contained in the latest edition of the Balance of Payments Pink Book.[2]

[1]This shows the effect on the reserves and the volume of official debt of all external transactions, namely, the current account, capital transfers, investment and other capital transactions and the balancing item. The reserves can be increased and official debt repaid when there is an overall surplus; the reserves will be reduced and official debt increased when there is an overall deficit.

[2]*United Kingdom Balance of Payments 1967-77*. HMSO, £3·95. ISBN 0 11 630177 5.

Revised figures for Britain's balance of payments in each of the last 11 years were published in the Pink Book on 1 September. The main change for 1977 since the appearance of provisional data (see pp 130-4) concerns the invisible surplus. This has been revised upwards by some £400 million with the result that the small deficit on current account announced previously becomes a surplus of £289 million. An innovation since the last edition of the Pink Book is a section on the direct contribution to the balance of payments of the Continental Shelf oil and gas programme.

In 1977 Britain had a deficit on visible trade of £1,709 million. This was offset by an invisible surplus of £1,998 million. Investment and other capital transactions were in surplus by £4,410 million. The balancing item amounted to £2,662 million so that the balance for official financing was £7,361 million.

In comparison with the performance in 1976, the visible deficit improved by nearly £2,000 million but the invisible surplus fell by almost £500 million. Investment and other capital transactions, which had been in deficit by nearly £3,000 million in 1976, showed a massive improvement of nearly £7,500 million, mainly owing to increased overseas investment in Britain, while the balancing item increased by over £2,000 million.

The Pink Book contains a detailed analysis of invisible transactions, of which the three categories are services; interest, profits and dividends; and transfers. Services had a surplus of £2,801 million. Receipts from travel were £2,179 million, almost twice as much as payments. The resulting surplus of £1,077 million was 72 per cent higher than that recorded the previous year. The surplus on financial services was £1,372 million, slightly higher than in 1976. Other services, including such items as engineering and construction services and royalties, showed a surplus of £875 million, an improvement since 1976 of over £300 million.

There was a surplus on interest, profits and dividends of £438 million, compared with £1,315 million in 1976. The figure for 1977 consisted of a deficit by general government of £685 million, similar to that for 1976, and a surplus of £1,123 million for the private sector and public corporations, which had fallen by 43 per cent since 1976. The reduction in the surplus on interest, profits and dividends was entirely due to an increase in outgoings of nearly £1,100 million, as receipts rose.

Transfers had a deficit of £1,241 million, most of which was incurred by general government. This was a marked deterioration since the previous year when the deficit had been £845 million. Receipts of both general government and the private sector rose in 1977 but outgoings increased by much more.

Net earnings of the City fell from £1,836 million in 1976 to £1,747 million in 1977. In banking the surplus fell from £416 million to £254 million while earnings from commodity trading fell from £309 million to £229 million. Insurance, on the other hand, increased its net earnings from £795 million to £909 million.

The direct contribution of the United Kingdom Continental Shelf oil and gas programme to the current account is defined as the value of sales of oil and gas minus the value of goods and services

imported for the programme and interest, profits and dividends[1] due abroad. In 1977 this gave a surplus on current account of £958 million, which was a marked improvement over the deficit of £323 million the previous year. The direct contribution to the capital account improved by £150 million to give a surplus of £1,349 million, resulting in a balance for official financing of £2,307 million.

Invisible Trade

A report prepared for the Committee on Invisible Exports[2] shows that Britain's net earnings from invisibles in 1976 were second only to those of the United States. In terms of total invisible receipts, that is, including government transactions, Britain was third, after the United States and the Federal Republic of Germany, following a large increase in government receipts in the Federal Republic. On private transactions alone, that is, excluding government receipts, Britain retained second place.

Britain's receipts from invisible trade were $23,240 million (all figures are for 1976, the most recent year for which international comparisons are possible, and, except where stated above, exclude government transactions). Payments amounted to $16,464 million. The surplus of $6,776 million was exceeded only by the $18,000 million of the United States. The Federal Republic of Germany had a deficit of nearly $9,000 million and many of the other major industrial countries incurred smaller deficits. Britain had nearly 10 per cent of the world total of invisible receipts and just over 6 per cent of the world total of invisible payments.

The largest item in Britain's invisible receipts was earnings from transport. These were $7,713 million, accounting for 33 per cent of the total. Income from foreign investment was also important at $6,728 million (29 per cent). Earnings from other services were $5,905 million (25 per cent). This was an increase of 16 per cent over the figure for 1975 and was due to a recovery in the insurance market and marked rises in the earnings of building and engineering contractors, consulting engineers and architects. Receipts from travel were $2,894 million (12 per cent); these were 17 per cent higher than in 1975.

On the payments side, transport was again the most important item, accounting for $7,201 million (44 per cent of the total) in spite of falling slightly since 1975. Non-residents' income from investment in Britain amounted to $4,617 million (28 per cent) while other services, at $2,844 million, accounted for a further 17 per cent. Payments for travel have fallen since 1975 and were $1,802 million (11 per cent). The large rise in receipts from travel meant that between 1975 and 1976 the surplus on this item doubled from $532 million to $1,092 million.

Britain's earnings from transport were 12 per cent of the world total. Income from foreign investment and other services each accounted for 9 per cent of the world total and that from travel for 6 per cent.

Invisible receipts were equal to 10 per cent of British gross national product and invisible payments were equal to 7 per cent. These were far higher than the corresponding figures for the United States in spite of its large absolute flows. They also exceeded the world average although a number of individual countries had a greater dependence on invisible trade.

Invisible receipts were 34 per cent of Britain's total receipts, compared with 23 per cent for the world, and invisible payments were 24 per cent of total payments (equal to the world average).

[1] Interest, profits and dividends include interest paid overseas by public corporations on their borrowing for the Continental Shelf programme; rough estimates of interest paid on borrowing in overseas currency from British banks; and profits of British subsidiaries of overseas companies (including profits retained in Britain).

[2] *World Invisible Trade. August 1978.* Available from the Committee on Invisible Exports, 7th Floor, The Stock Exchange, London EC2N 1HH. £3.

Industrial Awards

The Queen's Awards for Export and Technology and the Design Council Awards for 1978 were announced earlier this year.

QUEEN'S AWARDS

The Queen's Awards for Export and Technology, published on 21 April, are in two categories: the Queen's Award for Export Achievement, and the Queen's Award for Technological Achievement. The awards, formerly known as the Queen's Award to Industry (see pp 443-4, 1975), are made on the advice of a committee comprising representatives of industry and commerce, including the trade unions. They were instituted in 1965 and are designed to recognise and encourage outstanding achievements in these fields.

There are 124 awards this year, comprising 107 for export achievement and 17 for technological achievement, one fewer than the total for 1977. The number of applications received for awards, at 1,860, was the largest recorded and an increase of 51 over the previous record reached in 1977. The recipients represent a wide spread of industrial and commercial activity and size of company, and include firms from every region of Britain. The list includes exporters of industrial and agricultural machinery, security printing, telecommunications equipment, pharmaceuticals, plastics, solid-state lasers, avionics equipment and measuring and recording instruments; freight forwarders; consultant engineers and construction firms; and insurance brokers. For technological innovation, Rolls-Royce and the Atomic Energy Research Establishment, Harwell, have received awards for developing a new technique for testing aero-engines, while

Imperial Chemical Industries won three awards for developing alumina fibres that withstand very high temperatures, a drug used in the treatment of breast cancer, and a new insecticide used to control a wide variety of pests. Other technology awards go to new underwater welding equipment, new powered support control systems for coal-mines and a hop plant free from virus infection.

The following contains details of some of the companies and products which received awards.

Export Achievement

Among companies in the electronics industry receiving awards for export achievement, B & W Loudspeakers exports regularly to 30 countries, including Japan and the United States, and gained an earlier award in 1973. Over the last three years its exports have nearly trebled and now account for well over 80 per cent of total sales. A similar performance was recorded by another award winner, Elcometer Instruments, which manufactures both electronic and mechanical instruments used in the quality and cost control inspection of surfaces and coatings. Electrosonic's audio-visual systems for use in education, management training and sales promotion are exported mainly to the rest of the European Community, North America and Scandinavia, although systems are also exported to many other markets. The international division of EMI Records also won an award for increased exports to over 200 countries, including earnings from overseas companies manufacturing under licence. General Instrument Microelectronics, which designs and manufactures integrated circuits for use in telecommunications, microprocessors, consumer products and entertainment products, has increased its exports nearly sevenfold over the past three years, and more than doubled the proportion of its total sales accounted for by exports. The overseas earnings of International Aeradio, a subsidiary of British Airways, which provides operational technical services for aviation and telecommunications authorities, have increased more than threefold over the past three years. Exports of pulsed solid-state laser equipment designed and made by JK Lasers to customers' specific requirements have increased sixfold in the last three years and now account for nearly two-thirds of total sales. Marconi Avionics, a winner of four previous export awards and a technology award and a subsidiary of the General Electric Company (GEC), has nearly trebled its exports in the last three years and is having particular success in the United States. The company manufactures advanced avionic systems for aircraft, including head-up displays, weapon aiming systems, automatic flight control systems, airborne radars and radio navigation and communication systems. Another winner of a previous award, Medelec, which designs, develops and manufactures diagnostic electrophysiological and industrial fibre-optic recording instruments, exports to over 30 countries, the most important markets being the United States and Japan. Over the past three years its exports have more than doubled and continue to account for 80 per cent of total sales. The electronic exchange division of Plessey Telecommunications, which specialises in public telephone networks, exports to the Middle and Far East, Africa, South America and the Soviet Union; over the past three years exports have increased fivefold and now account for over 50 per cent of total sales.

In the engineering industry, the cryogenic systems division of Air Products, winner of two previous export awards, and designer and manufacturer of process plant equipment used in the production of oxygen, nitrogen, argon and other industrial gases, more than doubled its exports between 1975 and 1977 and has increased them sevenfold since 1974. By 1977 export sales were 98 per cent of total sales. The exports of Boythorpe Cropstores, a subsidiary of Thomas Tilling, have more than trebled over the last three years and now account for more than half of total sales. The company manufactures tower silos for sealed storage of grain or forage, and slurry tanks for the storage of animal effluent. Braithwaite and Co (Structural), a subsidiary of Braithwaite and Co (Engineers), fabricates structural steelwork and pressed steel storage tanks. Over the past three years exports, which have ranged over some 48 countries, have quadrupled and now account for some 40 per cent of total sales. David Brown Tractors, a manufacturer of agricultural and semi-industrial tractors, engine and transmission units and agricultural implements, and winner of three previous export awards and a technology award, has over the same period increased its already substantial exports by more than 50 per cent. DJB Engineering, a designer and manufacturer of articulated dump trucks, exports to over 30 countries; over the last three years its exports have increased twentyfold and now account for over 90 per cent of total sales. Dawson-Keith Electric exports a wide range of diesel-driven generating sets; the company's principal markets are in the Middle East, Africa and South America and in the past three years it has doubled the proportion of exports to total sales. The value of Elliott Turbomachinery's exports has increased sevenfold in the last three years; the company manufactures steam turbines, lubrication and sealing systems and compressors for the oil, gas and petrochemical industries. Farrow Irrigation, a subsidiary of Tate and Lyle Engineering, has exported its products to 57 countries throughout the world while the value of its exports has risen almost fivefold over the past three years. The company manufactures equipment and complete systems for irrigation and effluent disposal. Hestair Dennis exports its fire-fighting, refuse collection, bus chassis and tanker vehicles to Africa, the Middle and Far East and the Caribbean; over the last three years its exports have more than trebled and now account for more than half of total sales. Mabey and Johnson, who gained a previous award for export achievement in 1973, exports its unit construction bridging equipment, such as Bailey Bridging and Mabey Universal Bridging, to about 30 countries throughout the world; its export earnings have nearly trebled and exports now account for over 80 per cent of total sales. Frederick Parker, manufacturers of civil engineering, mining and construction equipment, has, over the last three years, almost doubled the value of its exports, which represent nearly 80 per cent of total sales. The company exports to over 80 countries, the most important markets being in the Middle and Far East, Nigeria, South America, Europe and Scandinavia.

Ruston Gas Turbines, a member of the GEC group and winner of a previous award in 1977, exports its industrial gas turbines, which are specially designed for use by the oil and gas industries, throughout the world; in the last three years, exports have nearly trebled and now account for almost all of total sales. In the same period, SGB Export has more than quadrupled its exports of steel scaffolding systems used in the construction, shipbuilding and petrochemical industries. The design and manufacture of specialised plants for the treatment of sewage and trade effluent is the province of Simon-Hartley, a subsidiary of Simon Engineering, which has nearly quadrupled its exports in the last three years. Although its main export markets are the Middle and Far East, plant has also been supplied to Canada, Italy and Zambia. Another subsidiary of Simon Engineering, Simon-Vicars, exports its bakery and confectionery machinery to more than 70 countries throughout the world. Over 80 per cent of total turnover is exported and the value of exports has almost trebled in the last three years. Exports of heavy machine tools and shipyard plant by Hugh Smith (Glasgow), winner of two previous awards, have risen threefold over the same period, and have been made to some 40 countries. Wiggins Teape, also winner of two previous awards, exports its commercial and speciality papers to some 150 countries. The company's present achievement in nearly doubling the value of its exports over the last three years is particularly noteworthy as it covers a period of very sharp recession in the world paper market.

Among civil engineering and construction companies, and others engaged in development overseas, Balfour Beatty, civil, electrical and mechanical engineers and winner of a previous award, has continued to expand its activities on a world-wide basis and more than doubled its overseas earnings in the past three years. A similar achievement was recorded by Booker Agriculture International, a subsidiary of Booker McConnell, which provides management, consultancy, technical training and other services for agricultural and agro-industrial projects in tropical, sub-tropical and arid areas. British Steel Corporation (Overseas Services), a subsidiary of the Corporation, has quadrupled its overseas earnings over the last three years. The company, winner of a previous award in 1977, provides integrated packages for the assessment, planning, construction and operation of new or existing steel-related developments overseas. Another 1978 award winner, Camrex, provides specialised marine contracting and consultancy services in addition to its marine coatings. These services have increased, together with its direct exports, some threefold over the past three years. Costain International, a subsidiary of Richard Costain and a winner of two previous awards, is engaged in civil engineering and construction. The firm's principal overseas markets are in the Middle East and its overseas earnings have shown a substantial increase in each of the past three years. Ewbank and Partners, consulting mechanical and electrical engineers specialising in power generation, has been particularly successful in the Middle East but has also secured important contracts in many other parts of the world. The firm's export earnings have increased almost sixfold over the last three years. John Taylor, whose overseas earnings have increased more than sixfold over the past three years, is a leading firm of consulting engineers specialising in feasibility study, design and contract supervision of water supply and public health engineering projects. The firm has undertaken work in most parts of the world, including a number of important projects in the Middle East over the last 20 years. Transportation Systems and Market Research (Transmark), a British Rail subsidiary, has increased its overseas earnings almost sixfold over the past three years. The company provides transport consultancy services mainly for the railway industry, comprising market research, feasibility studies, engineering design, supervision of construction, financial and management appraisals, staff training and computer projects. It operates throughout the world, mainly in the less developed countries, but has also undertaken projects in the United States, Canada and Australia. UBM Overseas exports building materials, including clay pipes, copper tube and fittings, sanitary ware, kitchen fittings, ironmongery, doors, wallboard and windows, and stocks them overseas. Principal markets are in the Middle East and Africa and export sales have increased eightfold over the past three years.

Other recipients of the award for export achievement include four firms of insurance brokers – Bland Payne, which has concentrated on acquiring expertise in specialised areas such as oil exploration; C. E. Heath, a member of Lloyd's which operates world wide in all classes of insurance and reinsurance; the aviation division of Alexander Howden Insurance Brokers, also a member of Lloyd's; and Minet Holdings, another Lloyd's and international broking house, winner of an earlier award in 1973 (the first awarded to the profession) and active in Africa, Australasia, north and central America, Europe and the Middle and Far East. The list of awards also includes two firms of security printers, Bradbury Wilkinson and Thomas De La Rue; two firms of whisky distillers, Justerini and Brooks, and White Horse Distillers; Rowntree Mactintosh, a major confectionery manufacturer and winner of a previous award; the pharmaceutical division of Fisons Ltd, whose exports, 80 per cent of which are medical products, go to almost every country in the world; Invicta Plastics, manufacturers of a wide range of plastics and 'Master Mind' and other games; a number of manufacturers of fashion clothing; and some freight forwarders.

Technological Achievement

Among the companies which received an award for technological achievement are Rolls-Royce, which, in conjunction with the Atomic Energy Research Establishment, Harwell, has developed a technique, known as dynamic radiography, to study aero-engines under actual operating conditions. During the collaborative programme, since 1970, 20 different engine types have been examined using this technique, and 19,000 radiographs have been taken. Rolls-Royce is discussing the exploitation of dynamic radiography with a number of leading aero-engine manufacturers overseas. In the electronics industry, Quantel, in collaboration with its parent company Micro Consultants, has introduced digital techniques for use in television broadcasting, which have several advantages over existing analogue tech-

niques, such as signals less prone to noise or distortion; Racal-Dana has pioneered a new range of fully-programmable synthesised signal generators, designed primarily for the support and testing of the Clansman range of military communication systems; and Acoustical Manufacturing has successfully developed and applied feed-forward techniques for its Quad 405 high-power high-fidelity audio amplifier. In the engineering industry, BOC Subocean Services, a subsidiary of BOC Oilfield Services, has developed semi-automatic underwater welding equipment, in conjunction with the Cranfield Institute of Technology, which significantly reduces welding times and improves quality; CJB Offshore, a subsidiary of Constructors John Brown, has designed and developed production platform facilities and support structures for the Thistle oil field in the North Sea; Dowty Mining Equipment has developed control systems which enable powered roof supports in mines to be advanced in a shorter time cycle, thus improving productivity at the coal face while maintaining operator safety; and GKN Forgings, a subsidiary of Guest Keen & Nettlefolds, has developed a new forging process which uses an alloy powder as the basis for the manufacture of steel components, mainly in the motor industry (the technique is claimed to reduce the waste inherent in hot forging and provide energy savings).

Other awards for technological achievement have been won by three divisions of Imperial Chemical Industries – the Mond Division for the development of inorganic oxide fibres which can withstand temperatures of up to 1,600°C, to replace refractory bricks in kilns and furnaces; the pharmaceuticals division for the preparation of an anti-oestrogen drug used in the treatment of breast cancer; and the plant protection division for the development of pirimiphos-methyl, an insecticide having applications in agriculture, horticulture, public health and in the home and garden. Another award winner in the pharmaceuticals industry, Smith Kline and French, discovered and developed an anti-histamine drug used in the treatment of peptic ulcers and similar conditions. Finally, the Department of Hop Research at Wye College, University of London, has collaborated with East Malling Research Station in the development of hop plants of greatly improved performance due to freedom from virus infection. Both organisations also collaborated in the development of three new varieties of hop, one of which is now the most important variety grown in England.

DESIGN COUNCIL

The Design Council awards for engineering products and components and medical equipment were announced on 2 April, those for consumer and contract goods on 22 April and those for the motor industry on 11 May. The Council was set up in 1944 as the Council for Industrial Design to promote higher standards of design in British industry: its title was subsequently changed in 1972 to reflect the changing balance of its activities. Its awards scheme was introduced in 1967.

Of the 14 engineering awards, nine were for engineering products and five for engineering components. The products range from electronically-controlled products such as an engine controller, a digital micrometer and a machining centre, to an anti-dust safety helmet and the High Speed Train (see p 407, 1976); while the components include a control valve, a beverage dispenser and a gas burner. Among the products, Ultra Electronics' programmable engine controller allows all the performance characteristics of a gas turbine or diesel engine to be programmed initially by means of a keyboard during engine development and finally in the form of silicon memory 'chips' which provide complete engine control under pre-set operation conditions. The United States car industry takes over 80 per cent of the company's production of these devices, which take up no more space than the average air filter. Also in the electronics field, the Micro 2000 is the first British-made, self-contained, hand-held electronic micrometer, designed by Patscentre International and produced by Moore and Wright (Sheffield) Ltd, with an accuracy within $\pm 0{\cdot}002$ mm on the metric instrument and of $\pm 0{:}0001$ inch on the Imperial instrument. Movement of the spindle is converted into electrical pulses which are interpreted by an electronic circuit to produce a digital output on a light-emitting diode display. The KTM 400 computerised numerically-controlled machining centre by Kearney and Trecker Marwin is designed to provide continuous path milling on the axes as well as drilling, boring and tapping, and has successfully withstood strong competition from United States and Japanese manufacturers. Other engineering product awards include Crosfield Electronics' Magnascan 550 colour scanner, which can produce a complete set of four-colour separations on a single piece of photographic film in only one scanning pass; the Airstream anti-dust safety helmet, developed by Racal-Amplivox from an invention by the Safety in Mines Research Establishment (part of the Health and Safety Executive, see p 42, 1975), which provides eye and face protection and a dust-free stream of air to the nose and mouth of the wearer; and anchors of all sizes from 50 kg (110 lb) to ones suitable for North Sea oil applications, designed by Bruce Anchor Ltd and made of single-piece steel castings having unusually high holding power, owing to the shank and trefoil fluke design which allows deep, stable penetration of the seabed.

Awards for engineering components include one for Sperry Vickers' KG proportional control valve, the first commercially viable application of a closed loop system in a self-contained, hydraulic valve. The ability of the valve to control hydraulic flow to an actuator independent of temperature and load variations endows the valve with a very consistent and repeatable performance utilised to advantage, for example, in plastics injection moulding machines. Another type of valve is the Hy-range dispense head, manufactured by Alumasc Ltd, which allows the entire broaching and resealing of a beer keg in one single-handed operation. The head slides on to the flange of the keg valve from any radial direction while the downward movement of a side lever broaches the keg and allows carbon dioxide to flow into the container, sending the contents up a central tube to the bar tap. Cashflow Mastermind, another award winner, developed by Mars Money Systems, is an electronic coin validation and price setting system for use in vending machines, the

first to combine 12 price outlets, each from 1p to 99p. The coins, of up to five different denominations, are held until the amount pre-set on the 12-channel mastermind unit is accumulated, when the purchaser can receive the chosen product.

Awards for medical equipment were given for three products. In each case this distinction was gained through the application of known engineering principles and well-tried manufacturing techniques to meet specific medical requirements. MEL, a division of Philips Electronic and Associated Industries, has won an award for its SL 75-20 linear accelerator, used in the treatment of cancer. The SL 75-20 provides, in one compact machine, a choice between X-ray therapy for the treatment of tumours deep within the body or electron therapy for tumours at intermediate or superficial depths. Mecanaids has won an award for its pool lift, which provides a complete handling system for the smooth and safe transfer of handicapped persons both into and out of hydrotherapy pools. A unique multi-purpose chair with a sub-chassis, serving as transporter, commode or shower-chair, has been designed to work with the lift; it is coupled to the mast of the lift, the sub-chassis removed, and the patient then lowered into the water. Finally, A. W. Showell (Surgicraft) Ltd has won an award for its Surgicraft Copeland fetal scalp electrode which, in association with a suitable monitoring device, is used for detecting the fetal heart rate during labour. The electrode incorporates several design features not found in similar devices, which allow for it to be applied easily and safely.

The three products gaining awards for consumer and contract goods were all aimed at specialised or high technology markets: the judges regretted that they did not include a product of more 'everyday' application. SME Ltd's Series III precision pick-up arm uses the most modern materials and methods of manufacture. The 'S'-shaped arm of nitrated titanium gives the necessary strength/weight ratio to allow it to be both extremely light and sufficiently rigid. The Microvision portable television by Sinclair Radionics is the world's first pocket television set with a 51 mm (2 inch) screen. The set, which runs off four internal batteries and can be recharged from the mains supply while switched on, functions on all VHF/UHF bands, is capable of receiving transmissions throughout most countries of the world and gives excellent black and white reception; 90 per cent of production is currently being exported. The third award in this category is for a hand-made folding bicycle by Micro Cycles Ltd which embodies a unique frame design, making it lighter and smaller than its competitors. The bicycle is suitable for a wide variety of users and is easily transported by hand.

The four awards for the motor industry were made in association with the Society of Motor Manufacturers and Traders. In addition, one award was made for a prototype design – a category introduced formally this year after one such award was given in 1977. Triplex Safety Glass won an award for the Triplex 10/20 windscreen, the first volume-production screen to combine the best properties of a toughened windscreen with those of a conventional laminated screen. The screen, which is a laminate of a highly-stressed inner glass, a conventional high-penetration-resistant plastic middle layer and a low-stressed outer glass, has a total thickness of only 54 mm (2·1 inches); this allows it to flex and bulge in the event of a head impact, making it capable of reducing facial lacerations by 99 per cent compared with conventional laminated screens. The Ford Fiesta is the first complete motor car to win a Design Council award. The judges were impressed by the detailed and calculated attempt by the manufacturer to reduce the car's maintenance and repair costs, through the introduction of fewer components and wiring connections, more easily detachable instruments and natural break-lines between the body panels. E. M. Wilcox won an award for its 'fold-inside' vehicle body, a dual-purpose, heavy-goods vehicle body which can be used to carry either loose bulk (such as grain) or palletised loads (such as bagged animal feedstock or fertiliser). The all-welded aluminium body can be converted from one use to the other by one man in less than 20 minutes and is ideally suited to the agricultural industry for which it was specifically designed. The other motor industry awards are for 'jumbo legs', an attachment which allows a trailer to 'kneel' so that a wheeled load can be driven directly on to the trailer deck (Mousley Trucking), and for a car for the disabled (GKN Sankey), currently available in prototype form only, which can be driven by a disabled person seated in a wheelchair locked securely to the floor of the vehicle while accommodating two additional adult passengers.

Chrysler United Kingdom

The Government has given its approval to the acquisition of Chrysler United Kingdom by PSA Peugeot-Citroën[1] (see p 332).

Approval for the acquisition – which is part of an agreement between Peugeot-Citroën and the United States Chrysler Corporation that Peugeot-Citroën should assume ownership of all the Corporation's European operations – has been given by the Government on the basis of a declaration of intent by Peugeot-Citroën and an agreement signed by all the parties.

In a statement issued on 28 September, the Secretary of State for Industry, Mr Eric Varley, said that the Government had concluded its consideration of the proposed takeover and had assessed its implications for Chrysler UK, for the British motor industry generally, and for the economy as a whole. Mr Varley said that the Government had been greatly assisted by a detailed study undertaken by the trade unions concerned, and had taken into account views expressed by a wide range of interests, including the vehicle component industry, car distributors and others.

Peugeot-Citroën has signed a declaration of its intentions towards Chrysler UK's operations which provides for Chrysler UK to receive parity of

[1]The full title is Peugeot Société Anonyme Peugeot-Citroën.

treatment as an integral part of the Peugeot-Citroën group, and gives assurances on future use of facilities (including, specifically, design and engineering facilities and the plant at Linwood, Scotland) and on models; the declaration also makes Peugeot-Citroën's position clear in respect of the planning agreement (see p 167, 1977), supplies of components, exports generally and the Iranian contract (see p 23, 1976) in particular. In addition, heads of agreement have been signed by all the parties (the British Government, Peugeot-Citroën, the Chrysler Corporation and Chrysler UK), which will have the general effect that Peugeot-Citroën will take over all of the Chrysler Corporation's obligations towards Chrysler UK and the Government. The Chrysler Corporation will not, however, be cutting its links with Chrysler UK completely; it will not only retain a shareholding in Peugeot-Citroën, but will also, for a time, continue to have certain obligations to support Peugeot-Citroën in promoting the interests of Chrysler UK and will remain liable, jointly and severally with Peugeot-Citroën, in relation to the Government's existing loan to Chrysler UK and the Government's guarantee of the bank loan of £35 million made in 1976 (see p 23, 1976).

Mr Varley said that the Government was satisfied, on the basis of its study and of its discussions with the parties, that under the agreement with Peugeot-Citroën the prospects for Chrysler UK would be at least as good as under the present arrangements. 'PSA Peugeot-Citroën is one of the strongest motor car companies in Europe', he said, 'and the Government believes that in this environment Chrysler UK's plants and workforce in England and Scotland have every prospect of a successful future.'

Shorter Notes

UNITED KINGDOM ATOMIC ENERGY AUTHORITY

Nuclear power stations are now responsible for 15 per cent of electricity supplied in Britain and are generating electricity more cheaply than conventional stations, according to the report and accounts for 1977-78 of the United Kingdom Atomic Energy Authority (UKAEA), published on 12 September.[1] On a historic costs basis, the cost of generating electricity from nuclear stations is 35 per cent lower than from coal-fired stations and 50 per cent lower than from oil-fired stations. The report notes that the important role to be played by nuclear power in meeting Britain's future energy needs was stressed in government papers on energy policy, such as the Green Paper published in February 1978 (see pp 96-8), and confirmed in January 1978 by the Secretary of State for Energy's approval for the construction of two further advanced gas-cooled reactors (AGRs) (see p 70). As well as the consideration of future thermal reactor policy, many aspects of the nuclear power programme, such as fast reactor development, reprocessing (see pp 98-100, 180-2 and 228) and waste management, were under discussion during the year.

In 1977-78 net expenditure on nuclear research and development by the UKAEA totalled £116·3 million, of which expenditure on fast reactors amounted to £55·8 million. Successful operation of the Prototype Fast Reactor at Dounreay (Highland) 'has made a valuable contribution to the demonstration of the safety and reliability of the fast reactor' and the UKAEA is maintaining an extensive development programme on the fast reactor. The UKAEA's main development work in connection with nuclear reactors also includes support for the AGR programme and safety studies and analysis of the pressurised water reactor system, while major programmes are under way on all aspects of the fuel cycle. At the end of March 1978 the UKAEA employed 13,347 people, of whom 2,588 were qualified scientists and engineers.

SHEFFIELD AND SOUTH YORKSHIRE NAVIGATION IMPROVEMENT SCHEME

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The scheme is estimated to cost some £10 million at 1978 prices and will include the improvement or reconstruction of nine locks, the widening or removal of a number of bridges and the major realignment of navigation channels at four sites. At present, barges with a capacity of about 500 tonnes can navigate the canal to Doncaster, but only those with a capacity of about 90 tonnes can travel beyond Doncaster to Rotherham. As a result of the scheme, barges carrying up to 700 tonnes will be able to navigate beyond Doncaster to Mexborough, and those carrying up to 400 tonnes will be able to reach Rotherham.

[1] *United Kingdom Atomic Energy Authority Annual Report 1977-78* UKAEA. HMSO, £2. ISBN 0 70 580399 6.

first to combine 12 price outlets, each from 1p to 99p. The coins, of up to five different denominations, are held until the amount pre-set on the 12-channel mastermind unit is accumulated, when the purchaser can receive the chosen product.

Awards for medical equipment were given for three products. In each case this distinction was gained through the application of known engineering principles and well-tried manufacturing techniques to meet specific medical requirements. MEL, a division of Philips Electronic and Associated Industries, has won an award for its SL 75-20 linear accelerator, used in the treatment of cancer. The SL 75-20 provides, in one compact machine, a choice between X-ray therapy for the treatment of tumours deep within the body or electron therapy for tumours at intermediate or superficial depths. Mecanaids has won an award for its pool lift, which provides a complete handling system for the smooth and safe transfer of handicapped persons both into and out of hydrotherapy pools. A unique multi-purpose chair with a sub-chassis, serving as transporter, commode or shower-chair, has been designed to work with the lift; it is coupled to the mast of the lift, the sub-chassis removed, and the patient then lowered into the water. Finally, A. W. Showell (Surgicraft) Ltd has won an award for its Surgicraft Copeland fetal scalp electrode which, in association with a suitable monitoring device, is used for detecting the fetal heart rate during labour. The electrode incorporates several design features not found in similar devices, which allow for it to be applied easily and safely.

The three products gaining awards for consumer and contract goods were all aimed at specialised or high technology markets: the judges regretted that they did not include a product of more 'everyday' application. SME Ltd's Series III precision pick-up arm uses the most modern materials and methods of manufacture. The 'S'-shaped arm of nitrated titanium gives the necessary strength/weight ratio to allow it to be both extremely light and sufficiently rigid. The Microvision portable television by Sinclair Radionics is the world's first pocket television set with a 51 mm (2 inch) screen. The set, which runs off four internal batteries and can be recharged from the mains supply while switched on, functions on all VHF/UHF bands, is capable of receiving transmissions throughout most countries of the world and gives excellent black and white reception; 90 per cent of production is currently being exported. The third award in this category is for a hand-made folding bicycle by Micro Cycles Ltd which embodies a unique frame design, making it lighter and smaller than its competitors. The bicycle is suitable for a wide variety of users and is easily transported by hand.

The four awards for the motor industry were made in association with the Society of Motor Manufacturers and Traders. In addition, one award was made for a prototype design – a category introduced formally this year after one such award was given in 1977. Triplex Safety Glass won an award for the Triplex 10/20 windscreen, the first volume-production screen to combine the best properties of a toughened windscreen with those of a conventional laminated screen. The screen, which is a laminate of a highly-stressed inner glass, a conventional high-penetration-resistant plastic middle layer and a low-stressed outer glass, has a total thickness of only 54 mm (2·1 inches); this allows it to flex and bulge in the event of a head impact, making it capable of reducing facial lacerations by 99 per cent compared with conventional laminated screens. The Ford Fiesta is the first complete motor car to win a Design Council award. The judges were impressed by the detailed and calculated attempt by the manufacturer to reduce the car's maintenance and repair costs, through the introduction of fewer components and wiring connections, more easily detachable instruments and natural break-lines between the body panels. E. M. Wilcox won an award for its 'fold-inside' vehicle body, a dual-purpose, heavy-goods vehicle body which can be used to carry either loose bulk (such as grain) or palletised loads (such as bagged animal feedstock or fertiliser). The all-welded aluminium body can be converted from one use to the other by one man in less than 20 minutes and is ideally suited to the agricultural industry for which it was specifically designed. The other motor industry awards are for 'jumbo legs', an attachment which allows a trailer to 'kneel' so that a wheeled load can be driven directly on to the trailer deck (Mousley Trucking), and for a car for the disabled (GKN Sankey), currently available in prototype form only, which can be driven by a disabled person seated in a wheelchair locked securely to the floor of the vehicle while accommodating two additional adult passengers.

Chrysler United Kingdom

The Government has given its approval to the acquisition of Chrysler United Kingdom by PSA Peugeot-Citroën[1] (see p 332).

Approval for the acquisition – which is part of an agreement between Peugeot-Citroën and the United States Chrysler Corporation that Peugeot-Citroën should assume ownership of all the Corporation's European operations – has been given by the Government on the basis of a declaration of intent by Peugeot-Citroën and an agreement signed by all the parties.

In a statement issued on 28 September, the Secretary of State for Industry, Mr Eric Varley, said that the Government had concluded its consideration of the proposed takeover and had assessed its implications for Chrysler UK, for the British motor industry generally, and for the economy as a whole. Mr Varley said that the Government had been greatly assisted by a detailed study undertaken by the trade unions concerned, and had taken into account views expressed by a wide range of interests, including the vehicle component industry, car distributors and others.

Peugeot-Citroën has signed a declaration of its intentions towards Chrysler UK's operations which provides for Chrysler UK to receive parity of

[1]The full title is Peugeot Société Anonyme Peugeot-Citroën.

treatment as an integral part of the Peugeot-Citroën group, and gives assurances on future use of facilities (including, specifically, design and engineering facilities and the plant at Linwood, Scotland) and on models; the declaration also makes Peugeot-Citroën's position clear in respect of the planning agreement (see p 167, 1977), supplies of components, exports generally and the Iranian contract (see p 23, 1976) in particular. In addition, heads of agreement have been signed by all the parties (the British Government, Peugeot-Citroën, the Chrysler Corporation and Chrysler UK), which will have the general effect that Peugeot-Citroën will take over all of the Chrysler Corporation's obligations towards Chrysler UK and the Government. The Chrysler Corporation will not, however, be cutting its links with Chrysler UK completely; it will not only retain a shareholding in Peugeot-Citroën, but will also, for a time, continue to have certain obligations to support Peugeot-Citroën in promoting the interests of Chrysler UK and will remain liable, jointly and severally with Peugeot-Citroën, in relation to the Government's existing loan to Chrysler UK and the Government's guarantee of the bank loan of £35 million made in 1976 (see p 23, 1976).

Mr Varley said that the Government was satisfied, on the basis of its study and of its discussions with the parties, that under the agreement with Peugeot-Citroën the prospects for Chrysler UK would be at least as good as under the present arrangements. 'PSA Peugeot-Citroën is one of the strongest motor car companies in Europe', he said, 'and the Government believes that in this environment Chrysler UK's plants and workforce in England and Scotland have every prospect of a successful future.'

Shorter Notes

UNITED KINGDOM ATOMIC ENERGY AUTHORITY

Nuclear power stations are now responsible for 15 per cent of electricity supplied in Britain and are generating electricity more cheaply than conventional stations, according to the report and accounts for 1977-78 of the United Kingdom Atomic Energy Authority (UKAEA), published on 12 September.[1] On a historic costs basis, the cost of generating electricity from nuclear stations is 35 per cent lower than from coal-fired stations and 50 per cent lower than from oil-fired stations. The report notes that the important role to be played by nuclear power in meeting Britain's future energy needs was stressed in government papers on energy policy, such as the Green Paper published in February 1978 (see pp 96-8), and confirmed in January 1978 by the Secretary of State for Energy's approval for the construction of two further advanced gas-cooled reactors (AGRs) (see p 70). As well as the consideration of future thermal reactor policy, many aspects of the nuclear power programme, such as fast reactor development, reprocessing (see pp 98-100, 180-2 and 228) and waste management, were under discussion during the year.

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[1] *United Kingdom Atomic Energy Authority Annual Report 1977-78* UKAEA. HMSO, £2. ISBN 0 70 580399 6.

SOCIAL AND CULTURAL AFFAIRS

Review of the Mental Health Act 1959

In a review of the Mental Health Act 1959, covering England and Wales,[1] the Government proposes a number of changes intended to strengthen the rights of the mentally disordered while having due regard for the rights and safety of the general public and of hospital staff. As a result of amendments in subsequent legislation, the scope of the 1959 Mental Health Act is now largely limited to compulsory powers of admission and detention in hospital and to safeguards for patients subject to such powers. It is on these issues that the Government White Paper concentrates.

Mental Health Act 1959

One of the basic principles of the 1959 Mental Health Act was that people suffering from mental disorder should, as far as possible, be treated in the same way as those suffering from physical illness, and that compulsion and custody should be used as little as possible. To ensure this, a range of safeguards for patients who had to be the subject of compulsory powers was introduced, and the idea that decisions on compulsory admission to hospital or guardianship – the compulsory placement of a person into the care and control of a local authority – should be a medical instead of a judicial matter was incorporated into the Act. In January 1975 the Government announced its intention of reviewing the 1959 Act in the light of experience including the many changes which had taken place in treatment and care, in the patterns of services for the mentally ill and the mentally handicapped, and in public attitudes. An interdepartmental committee of officials was set up to undertake the review, and its initial suggestions were published in a consultative document in 1976, which invited comments on how the 1959 Act might be amended. The intensive consultation with interested organisations which has since taken place provides the basis of the Government's present proposals for change.

Summary of Main Proposals

Informal Patients

It is proposed that all informal patients – that is, patients who enter and remain in hospital voluntarily – must on admission to hospital be given a clear written statement of their rights and must be told of any change in their legal status without delay.

Psychopathy and Mental Handicap

The White Paper proposes that psychopathy and mental handicap should be retained in the Act as mental disorders, and that the present age limit of up to 21 years for compulsorily admitting mentally handicapped or psychopathic patients should be removed, thus making it possible to admit such patients without their consent at any age, provided their condition merits detention in hospital and is likely to benefit from treatment.

Short-term Admission and Detention Orders

New safeguards are proposed for patients who are compulsorily admitted and detained for observation or treatment for up to 28 days.

Holding Powers for Nurses

At present, if the condition of an informal patient changes or deteriorates rapidly, only the consultant in charge of the patient's treatment can authorise his detention while longer-term powers are obtained. It may take some time to locate the consultant and during this time nursing staff have no clear powers to detain a possibly violent patient. The Government therefore proposes to authorise a suitably qualified nurse to detain an informal patient for up to six hours while the consultant's report is being obtained. The use of this power will be closely monitored by senior staff and hospital managers.

Compulsory Powers in the Community

The White Paper discusses a number of different proposals for compulsory powers in the community (that is, outside hospital) aimed at preventing unnecessary admission to hospital, and for amending the present powers of guardianship in the community, and invites discussion on these issues.

Mentally Abnormal Offenders

The White Paper considers that the powers under the Act imposing restriction orders of unlimited duration on mentally disordered patients should remain unchanged. (Under a restriction order, which may be imposed by the courts, the consent of the Home Secretary is needed before a patient can be transferred to another hospital or be discharged.) In addition, it is proposed to give courts the power to remand an offender to hospital instead of to prison in certain circumstances – for example, for medical assessment. The Government has issued

[1] *Review of the Mental Health Act 1959.* Prepared by the Department of Health and Social Security, the Home Office, the Welsh Office and the Lord Chancellor's Department. HMSO. ISBN 0 10 173200 7. Further details not yet available.

a consultative paper on this proposal,[1] and invites discussion by all interested parties.

Mental Health Review Tribunals

The Government intends to widen the powers of the Mental Health Review Tribunals which, under the 1959 Act, have power to discharge patients from detention in hospital or from guardianship. At present, many patients who are entitled to tribunal hearings do not apply for them, and it is proposed that such patients should have their cases automatically reviewed by the tribunal. Under the Act, unrestricted detained patients (that is, detained patients who are not subject to a restriction order) may have their cases reviewed after one year, followed by a further year and subsequently at two-yearly periods. The White Paper proposes to halve these periods to six months, followed by a further six months and subsequently by yearly periods.

Consent to Treatment

Under the 1959 Act there is doubt about the extent to which doctors and other staff have power to impose treatment on detained patients. The White Paper therefore proposes to give an explicit but limited power to treat a detained patient without his consent but with new safeguards for the patient. In particular, there are some types of treatment – those described as 'irreversible', 'hazardous', or 'not fully established' – which should never be imposed against the patient's wishes (except in an emergency to save life). For these treatments the White Paper suggests that a second opinion be sought from a multi-professional panel especially established for this purpose even if the patient has given his consent.

Patients' Advisers

The Government plans to introduce a limited number of experimental schemes of patients' advisers whose function will be to advise patients of their rights generally.

Protection for Staff against Legal Action by Patients

The White Paper intends to clarify the scope and limitations of the legal protection afforded to staff against unwarranted legal action by patients.

Patients' Mail

The Government proposes to reduce the present powers to inspect and withhold patients' mail.

Compulsory Removal of Non-patrial Patients[2]

It is now possible, under the Act, compulsorily to remove from the country any mentally ill non-patrial patient in hospital. The White Paper proposes to amend the law so as to limit this power to patients detained for periods longer than 28 days.

Forthcoming Legislation

The Government intends to bring forward, as soon as parliamentary time can be found, the legislation necessary to implement the main body of the proposals in this White Paper. In one or two cases the proposals outlined present the Government's provisional view only; it is felt that further public debate and consultation are needed, and comments are invited.

[1] *Remand to Hospital and Interim Hospital Orders.* Available from the Department of Health and Social Security, London SE1 6BY.

[2] The Immigration Act 1971 defines as 'patrial', those who, through close connection with the United Kingdom by birth, residence, descent or marriage, have a right of abode there.

Developments in Education

Reports published in September described government initiatives to promote progress in education; the results of a survey on primary education in England; and the work of the Adult Literacy Resource Agency. A committee of inquiry into the teaching of mathematics in schools has been appointed.

Progress in Education

Progress in Education,[1] published on 8 September, is a review of initiatives and decisions taken by the Government in England over the past four years. It states that four broad themes have dominated government policy. These themes are: extending educational opportunity and participation; improving the quality of education; managing the educational system in the face of a dramatic decline in the number of children; and providing educational support for the Government's industrial strategy.

Extending Educational Opportunity and Participation

Opportunities in the public educational system need to be extended and used more effectively if society is to become fairer and more efficient, says the report. An important start can be made before the child is five. Nursery education eases the transition from home to school, allows attention to be given to special educational needs and provides support for mothers – advantages which are particularly valuable to those living in areas of deprivation and to members of ethnic minorities.

Between 1974 and 1978 the number of children in nursery schools or classes rose from 125,000 to 200,000. In addition, about 215,000 under-fives are attending infant classes in primary schools. This means that about 53 per cent of all four-year-olds and 15 per cent of all three-year-olds are receiving education in maintained schools. The Government hopes to approach the target figures for nursery education of 90 per cent and 50 per cent respectively in the mid-1980s.

Building programmes for nursery education totalling £50 million have been authorised for the years 1974-75 to 1978-79. The Urban Aid Programme has assisted local authorities with the cost of providing and maintaining new nursery classes and other facilities for the under-fives as well as providing for other age groups by making possible improvements to schools, and providing sports facilities, youth clubs and playgrounds to help combat disadvantage, especially in the inner city areas.

The Government has provided resources to employ 1,000 extra teachers by 1981-82 to cater for the

[1] *Progress in Education: A Report on Recent Initiatives.* HMSO, 90p. ISBN 0 11 270483 2.

needs of disadvantaged and handicapped children. Consultations on the recommendations of the Warnock Committee (see p 231) into the education of handicapped children are taking place. The proportion of these children attending designated classes and units in ordinary schools rather than receiving their education in special schools has increased in recent years.

The report says that the Secretary of State for Education and Science is setting up an independent committee to inquire into the problems concerning the educational performance of ethnic minorities and that the Department will start collecting related educational statistics; it will also explore ways of increasing the number of teachers who are themselves drawn from the ethnic minorities.

The abolition of a selection procedure for entry into secondary schools is almost complete, says the report, with 83 per cent of secondary pupils attending comprehensive schools. The Government has authorised two special building programmes to the value of £50 million to assist the process of reorganisation in England and Wales. Over 50 former direct grant grammar schools are in the process of joining the maintained system as comprehensive schools. The report confirms that the most consistent theme to emerge from the conference on comprehensive education in December 1977 (see p 315, 1977) was the feeling among teachers and administrators alike that the overriding need in the next few years was for a period of stability which would allow them to concentrate on making comprehensive education work more effectively.

The report stresses the importance of the school and family supporting each other and says that the Secretary of State has sought to improve the links between parents and schools in a number of ways. She has issued guidance on the information parents should be given, and has initiated consultations on school admission procedures and on the participation of parents in the government of schools as recommended in the Taylor Report which examined the arrangements for school management and government (see p 396, 1977).

The proportion of 16- to 18-year-olds in England and Wales who chose to continue their education full time has increased steadily in recent years. To accelerate this growth and to mitigate the financial hardship which staying on may entail, the Government would be ready in due course to commit themselves to a statutory system of awards for this age group[1] (see p 231). For those who continue their full-time education after school, the Government extended the scope of the mandatory award system in 1975.

No group, says the report, has a stronger claim for help than the young unemployed. The Government has made arrangements for those who are available for work to continue to receive supplementary benefit while taking part-time courses of further education. Colleges of further education are closely involved in the Youth Opportunities Programme. It is intended that no Easter or summer school-leaver who is still unemployed the following Easter should be without the offer of a place in the programme. Local education authorities have been given resources to provide additional further education courses for young people faced with the prospect of unemployment. Next year the Government will publish a White Paper surveying the whole range of education and training opportunities for the 16 to 18 age group and setting out their policies.

[1]Certain local education authorities are introducing award schemes for children staying on at school.

Improving the Quality of Education

There is no true opportunity without matching quality, says the report. The support of local education authorities, teachers, universities, examining bodies and others has been enlisted in the search to foster improvement in the performance of schools and colleges, a process in which open debate and shared information play an important part.

According to the report, the school curriculum is the key to pupils' achievements. The consultative document, *Education in Schools*, sets out the problems to be resolved (see pp 320-2, 1977). Since then local education authorities have been invited to report to the Department of Education and Science on their arrangements for the curriculum. The Department will publish a summary of the authorities' replies early in 1979 and this will form the basis of further consultations.

The Assessment of Performance Unit (see p 76, 1975), which was established in 1975 to undertake the systematic collection of information about specific aspects of pupils' performance in schools nationally, has already tested a national sample of 12,000 primary schoolchildren in mathematics and will be testing the mathematics performance of secondary schools. The results from these tests will become available in 1979 while language and science testing will start in 1978 and 1980. The Government intends to take a decision in the near future, on the recommendations of the Waddell Committee, that it would be possible to introduce a common system of examinations at 16 plus (see p 315). Examinations at 17 and at 18 are also under review.

The report recognises the important contribution which teachers make to improving the quality of education. After next year, all entrants to teacher-training courses (with very limited exceptions) will be required to have the same qualifications as for other degree courses; public expenditure plans allow for all new teachers to receive induction training from 1979-80 and for a major expansion of in-service training to keep teachers at the peak of their form; special courses have been launched to improve the supply of teachers in the important subjects of mathematics, the physical sciences, and craft, design and technology; and in 1977 the Government conducted a major survey to improve information about the deployment and qualifications of teachers in secondary schools.

Managing the Education System in the Face of Falling Numbers

The report points out that the persistent decline in the number of births in each successive year since 1964 has major implications for our schools. The decline in the number of pupils in English schools is likely to bring total numbers down to 7·5 million in 1983 and under 6·5 million in 1989 (in January 1978 there were about 8·5 million full-time and

part-time pupils in maintained primary and secondary schools in England).

The primary school population is already falling steeply; the secondary school population will start to fall next year; and the age groups supplying entrants to higher education will reach a peak in the early 1980s. Parents will look to schools to improve the quality of education they provide as the pressures of numbers diminish. Over the last few years the Secretary of State has initiated a sustained programme of action.

The Government has invited local education authorities to make a rigorous assessment of future school population trends in their own areas and to consider how buildings and sites might best be used. It has published a major study of school building, revealing potential opportunities, which are unlikely to recur, for getting rid of unsatisfactory accommodation for and converting surplus accommodation to other uses (see p 471, 1977).

The prospect of a continuing fall in school pupil numbers has already been a major factor in reducing the requirement for initial teacher training. The institutions concerned are being restructured so as to provide a smaller teacher-training system which can respond flexibly to changing future needs.

Elsewhere in higher education the direct impact of the decline in births is a more distant prospect but the Department of Education and Science has already published a discussion document, *Higher Education into the 1990s*, setting out some of the implications (see p 107).

Education and the Government's Industrial Strategy

The report states that, following the publication in November 1975 of the White Paper, *An Approach to Industrial Strategy*, an examination was made of many aspects of educational policy (see p 434,1975). Since then, the active contribution by industry to careers education, work experience, the government of schools and discussions about the curriculum has successfully been fostered.

Secondary schools have been asked to take steps to see that young people acquire a basic understanding of the economy and the activities necessary to the creation of the country's wealth. Many new links are being formed between schools and further education and between schools and industry. In July the Department issued a circular letter to all Chief Education Officers setting out the part which schools can play in the industrial strategy and inviting them to review and, if necessary, revise their arrangements for school-industry liaison.

In higher education, the report indicates that recent initiatives reflect the Government's intention that manufacturing industry should receive its full share of the available talent. In February 1977 the Secretary of State announced that students holding mandatory awards from local education authorities could receive up to £500 in payments from employers as scholarship income without any reduction in their awards; the University Grants Committee has encouraged universities to develop a number of degree courses with a strong orientation towards management and the manufacturing industry. The Government also intends that courses of this kind should be available in selected polytechnics. With support from a number of leading firms the Government has established a National Engineering Scholarships Scheme for students taking first degree courses in engineering with a view to entering manufacturing industry. An action committee to plan and administer the scheme consists of representatives from industry, the trade unions, schools and higher education and the education departments. The Science Research Council and the Department of Industry have jointly promoted a teaching company scheme under which young graduates receive training in a selected firm complemented by instruction in a university or polytechnic.

Primary Education

The report on *Primary Education in England*,[1] published on 26 September, is a survey of some aspects of the work of primary schoolchildren which was undertaken by HM Inspectors of Schools. The survey – the first of its kind – deals with the work of seven-, nine- and 11-year-old children in 542 schools chosen so as to be representative of primary schools in England. The report gives information about the organisation of schools, the range of work done by the children, and the extent to which the work is matched to their abilities. It contains a description of the Inspectors' findings, discusses their implications and makes proposals for improvements.

Report of the Adult Literacy Resource Agency

The final report of the Adult Literacy Resource Agency[2] published on 29 September (see p 29) reviews the achievements and lessons of the adult literacy campaign so far and emphasises the need for it to continue. The Adult Literacy Unit, which will replace the Agency and which will be financed by the Department of Education and Science, will provide a continuing focus for adult literacy matters.

During the three years after the Agency was established in 1975, between 30,000 and 40,000 new students came forward each year and the report stresses the continuing need for personal, sensitive adult literacy provision as part of a wider basic education service for adults. All local education authorities now offer individual and group tuition for those with reading and writing difficulties. They and voluntary organisations provide for some 70,000 students a year compared with 5,000 in 1974. At least 125,000 adults have received tuition in the last three years. All but one education authority use the services of over 40,000 volunteers.

There has been a noticeable change in teaching methods during the campaign. Child-orientated primers based on the remedial process used in schools have largely given way to methods suited to the adults' immediate needs and language experience. The impetus given to training by the agency, says the report, has brought an awareness of the importance of training to an area of education hitherto not noted for teacher training.

Despite the advance, the report says that there are still considerable gaps: the 16-19 age group – the vocational sector of further education – is com-

[1] *Primary Education in England: A Survey by HM Inspectors of Schools.* HMSO, £3·50. ISBN 0 11 270484 0.

[2] *Adult Literacy in 1977-78: A Remarkable Educational Advance.* HMSO, £1·75. ISBN 0 11 270480 8.

paratively little involved. Those who have overcome basic literacy difficulties and who now need bridging classes and opportunities to practise new-found skills still need help. The majority of local education authorities have increased monetary provision for adult literacy but the report expressed concern at the disparity of the services provided by the authorities.

Committee of Inquiry into Mathematics

On 25 September the Secretary of State for Education and Science, Mrs Shirley Williams, announced the appointment of a Committee of Inquiry under the chairmanship of Dr W. H. Cockcroft, Vice-Chancellor of the New University of Ulster, into the teaching of mathematics in primary and secondary schools in England and Wales. Earlier this year, when the Government's observations on the Tenth Report of the Expenditure Committee on the Attainments of the School-Leaver were published, Mrs Williams said that the Government had accepted that an inquiry should be set up (see p 143). The terms of reference of the Committee will be: 'To consider the teaching of mathematics in primary and secondary schools in England and Wales, with particular regard to the mathematics required in urther and higher education, employment and adult ife generally.'

Inner City Policy

Government policy towards inner city areas and the progress made in implementing it were the themes of a speech delivered to the annual conference of the Royal Institution of Chartered Surveyors on 26 September by Mr Peter Shore, Secretary of State for the Environment.

Mr Shore drew attention to the Inner Urban Areas Act 1978 and pointed out that it was the first comprehensive policy for the inner cities that Britain had ever had. The aim of the Government's policy was to halt population losses and economic decline in inner cities, to improve their physical surroundings, to strengthen their economic and social structures and to create confidence in their future as places to live, work and invest. The Secretary of State emphasised that inner cities 'must have a greater share of resources, and new effective policies to meet particular needs. They suffer from such concentrations of deprivation, and on such a scale that, without special measures directed specifically to their problems, they will fall back into the cycle of decay . . . .'

Government Action

The following summary of recent Government action was given by Mr Shore.

New machinery has been created to ensure a comprehensive and co-ordinated approach to the problems of individual areas. Seven areas (Liverpool, Manchester and Salford, Birmingham, Newcastle and Gateshead, and three districts of inner London) have been designated as partnership areas bringing together central government departments, local government authorities, health authorities and other bodies whose activities affect the life of the areas. In addition, 15 other major towns (programme areas) have been asked to prepare co-ordinated inner area programmes.

Under the Inner Urban Areas Act 1978 (see pp 102-4) local authorities in all these areas, together with 14 other districts in England, nine districts in Scotland and five in Wales, are being given extra powers to promote economic revival. The powers include authority to grant 90 per cent loans at commercial rates for the acquisition of land or for work such as constructing industrial and commercial buildings; authority to declare industrial or commercial improvement areas within which they can make grants or loans for environmental improvements and for the conversion or modernisation of commercial and industrial buildings; and the making of loans or grants towards the costs of creating co-operative or common ownership enterprises. Local authorities in partnership areas will be free to give loans (interest free for up to two years) for site preparation and infrastructure, interest relief grants for small firms, and grants towards rents on new leases of industrial or commercial property.

Some £15 million is being allocated to the partnership and programme areas over the next three and a half years for projects such as the tidying up of waste sites, grassing and tree planting, demolishing unwanted buildings, and clearing canals. More funds are being provided for inner cities under the derelict land clearance scheme which has been in existence for many years. The purpose of the scheme is to improve waste land for re-use. Its scope is being extended so that 100 per cent grants are payable in London Docklands and parts of the West Midlands.

Conclusion

Mr Shore concluded by emphasising the scale of the problem and pointed out that there was a population of over two million people in the partnership areas. He argued that government action alone would not achieve enough and that the private sector had to be attracted to the inner urban areas.

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